

LOCAL GOVERNMENT INSURANCE TRUST

SCOPE OF COVERAGE

PRIMARY LIABILITY PROGRAM

Rev. 7/2009

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INTRODUCTION TO:
PRIMARY LIABILITY COVERAGE PROGRAM
SCOPE OF COVERAGE DECLARATIONS FORMS

A Member in the Local Government Insurance Trust Primary Liability Coverage Program may purchase all or portions of this Primary Liability Program Scope of Coverage (this "Scope of Coverage"), which consists of the General Liability Coverage, the Law Enforcement Legal Liability (Wrongful Acts) Coverage, the Public Officials Legal Liability (Errors and Omissions) Coverage, and Automobile Coverage. The Declarations Pages determine which coverage Member has purchased. A premium amount must appear at the beginning of each type of Coverage in the Declarations Forms for there to be coverage under that Part of this Scope of Coverage. **Please check this Scope of Coverage, including the Declarations Forms, upon receipt.**

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**GENERAL LIABILITY
COVERAGE DECLARATION FORM
PRIMARY LIABILITY PROGRAM SCOPE OF COVERAGE**

MEMBER or
PUBLIC ENTITY: _____, as defined
herein and in the Local Government Insurance Trust Agreement

MAILING ADDRESS: _____

COVERAGE PERIOD: From _____ to _____ at 12:01 a.m. EST at the
Member's mailing address shown above

DOCUMENT NUMBER: _____

This Scope of Coverage consists of the following Coverage Parts for which a premium is indicated.
This premium may be subject to adjustment or assessments as stipulated in the Trust Agreement.

| <u>COVERAGE PART</u> | <u>LIMITS</u> | <u>PREMIUM</u> |
|--------------------------|-------------------------------|----------------|
| GENERAL LIABILITY | | \$ _____ |
| | \$ 1,000,000 each Occurrence | |
| | \$ 2,000,000 Annual Aggregate | |

LIABILITY SUBLIMITS

| | | | |
|---------------------------------|--------------|------------------|------|
| Products & Completed Operations | \$ 2,000,000 | Annual Aggregate | INC. |
| Personal Injury and | | | |
| Advertising Injury | \$ 1,000,000 | each Offense | INC. |
| Medical Expense Benefits | \$ 5,000 | each person | INC. |
| | \$ 100,000 | each Occurrence | INC. |
| Marina Legal | \$ 1,000,000 | each Occurrence | INC. |
| Fire Legal | \$ 1,000,000 | each Occurrence | INC. |

| | | |
|---|--------|-------------------------|
| DEDUCTIBLE PER OCCURRENCE OR OFFENSE | \$ -0- | each Occurrence/Offense |
|---|--------|-------------------------|

| <u>COVERAGE PART</u> | <u>LIMITS</u> | <u>PREMIUM</u> |
|---|--------------------------------|----------------|
| LAW ENFORCEMENT LEGAL LIABILITY | | |
| Wrongful Acts - (Claims Made) | | \$ _____ |
| | \$ 1,000,000 each Wrongful Act | INC. |
| | \$ 1,000,000 Annual Aggregate | INC. |
| DEDUCTIBLE PER WRONGFUL ACT | \$ _____ each Wrongful Act | |
| RETROACTIVE DATE | NONE | |
| PUBLIC OFFICIALS LEGAL LIABILITY | | |
| Errors and Omissions - (Claims Made) | | \$ _____ |
| | \$ 1,000,000 each Wrongful Act | INC. |
| | \$ 1,000,000 Annual Aggregate | INC. |
| DEDUCTIBLE PER WRONGFUL ACT | \$ _____ each Wrongful Act | |
| RETROACTIVE DATE | NONE | |
| LIABILITY SUBLIMIT Employee Benefits | \$ 1,000,000 each Wrongful Act | INC. |
| DEDUCTIBLE PER WRONGFUL ACT | \$ 1,000 each Wrongful Act | |

SPECIAL ENDORSEMENTS

| <u>DEDUCTIBLE</u> | <u>COVERAGE</u> | <u>PREMIUM</u> |
|-------------------|--|----------------|
| \$ _____ | Court Ordered Community Service Workers | INC. |
| \$ _____ | Prisoners | \$ _____ |
| \$ _____ | Sewer-Related Discharge Exclusion Exemption | \$ _____ |
| \$ _____ | Punitive Damages Exclusion Exemption | \$ _____ |
| \$ _____ | Volunteer Fire Companies | \$ _____ |
| \$ _____ | Skateboard and BMX Biking Facility Exclusion Exemption | \$ _____ |
| \$ _____ | Occurrence | \$ _____ |
| \$ _____ | Defense Costs In Civil Cases Seeking Equitable Relief | \$ _____ |
| \$ _____ | Secondary Employment and Off-Duty Law Enforcement Activities | \$ _____ |
| \$ _____ | Public Entity Endorsement (applicable only to a Member sponsored Public Entity) | INC. |
| \$ _____ | Specific Location(s) Exclusion | INC. |
| | Total Premiums for Endorsements | \$ _____ |

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AUTOMOBILE COVERAGE DECLARATION FORM

PRIMARY LIABILITY PROGRAM SCOPE OF COVERAGE

MEMBER or
PUBLIC ENTITY: _____, as defined herein and in the
Local Government Insurance Trust Agreement

MAILING ADDRESS: _____

COVERAGE PERIOD: From _____ to _____ at 12:01 a.m. EST at
Member's mailing address shown above

DOCUMENT NUMBER: _____

This Scope of Coverage consists of the following coverage parts for which a premium is indicated.
This premium may be subject to adjustment or assessments as stipulated in the Trust Agreement.

| <u>COVERAGE PART</u> | <u>CODE**</u> | <u>LIMITS</u> | <u>PREMIUM</u> |
|--|---------------|--|----------------|
| AUTO LIABILITY | | | \$ _____ |
| Use in government/ municipal official/ emergency service | 1 | \$ 20,000 for Bodily Injury (one person) | INC. |
| | | \$ 40,000 for Bodily Injury (two or more persons) | INC. |
| | | \$ 15,000 for Property Damage | INC. |
| All other use | 1 | \$ 1,000,000 each Accident | INC. |
| GARAGEKEEPERS' LIABILITY | | | |
| Comprehensive (ACV) | 10 | \$ 1,000,000 each Accident | INC. |
| Collision (ACV) | 10 | \$ 1,000,000 each Accident | INC. |
| Deductible | | \$ 1,000 each Auto/each Accident | |

**See pages 4-2 and 4-3 for the meaning of Automobile Class Code Symbols covered by this Scope of Coverage.

| <u>COVERAGE PART</u> | <u>CODE**</u> | <u>LIMITS</u> | <u>PREMIUM</u> |
|-----------------------------|---------------|--|----------------|
| AUTO PHYSICAL DAMAGE | | Actual Cash Value (ACV) or Cost of Repair, Whichever is Less; or Stated Value, if endorsement applies | \$ _____ |
| Owned Autos | | | |
| Comprehensive | 7 | NONE | INC. |
| Collision | 7 | NONE | INC. |
| Deductible | | \$ _____ each Accident | |
| Hired Autos | | | |
| Comprehensive | 7 | NONE | INC. |
| Collision | 7 | NONE | INC. |
| Deductible | | \$ _____ each Accident | |
| Coverage Extensions | | | |
| Transportation Expense | 7 | \$30.00 per day/15 days | INC. |
| Towing and Labor Expense | 7 | \$50.00 per disablement | INC. |
| Loss of Use/Heavy Trucks | 7 | \$20,000 each Auto/ each Accident | INC. |

SPECIAL ENDORSEMENTS

| <u>DEDUCTIBLE</u> | <u>COVERAGE</u> | <u>PREMIUM</u> |
|-------------------|---|----------------|
| \$ _____ | Physical Damage For Borrowed Autos Utilized In Police Surveillance | \$ _____ |
| \$ _____ | Personal Injury Protection For Passengers And Guests Other Than Employees Or Prisoners | \$ _____ |
| \$ _____ | Uninsured Motorist | \$ _____ |
| \$ _____ | Uninsured Motorist - Additional Limit Option \$ _____ | |
| \$ -0- | Emergency Vehicle Operations Training | INC. |
| \$ _____ | Stated Value Endorsement | \$ _____ |
| \$ _____ | Public Entity Endorsement (applicable only to a Member sponsored Public Entity) | INC. |
| | Total Premiums for Endorsements | \$ _____ |

**See pages 4-2 and 4-3 for the meaning of Automobile Class Code Symbols covered by this Scope of Coverage.

PREAMBLE

The Board of Trustees of the Trust has approved this Scope of Coverage document, which is derived in part from forms developed by the Insurance Services Office (ISO), a national independent rating and form bureau for property/casualty insurance companies.

The General Liability and Automobile Coverage Parts of this Scope of Coverage for the Primary Liability Program have utilized ISO forms as their basis. However certain manuscript endorsements have been added, as well as clarifying language (as needed), so it is important for each Member to review this Scope of Coverage carefully.

The Law Enforcement Legal Liability (Wrongful Acts) and Public Officials Legal Liability (Errors and Omissions) Coverage Parts are manuscript forms and should be reviewed carefully for coverage specifications.

VARIOUS PROVISIONS IN THIS SCOPE OF COVERAGE RESTRICT COVERAGE. READ THE ENTIRE SCOPE OF COVERAGE CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.

This Scope of Coverage (dated July, 2009) supersedes the previously distributed Scope of Coverage dated July, 2008. It is effective commencing on and after July 1, 2009.

LOCAL GOVERNMENT INSURANCE TRUST

SCOPE OF COVERAGE

PRIMARY LIABILITY PROGRAM

COVERAGE PART I

GENERAL LIABILITY

COVERAGE PART I - GENERAL LIABILITY COVERAGE

In consideration of the payment of the premium, the undertaking of Member to pay the deductible in the amount stated in the Declarations, and subject to all the terms, limitations and conditions of this Scope of Coverage, the Trust and Member agree as follows:

SECTION I - COVERAGES

A. COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

The Trust will pay those sums (in excess of the Deductible Amount, if any, set forth in the Declarations) that Member becomes legally obligated to pay as Damages because of Bodily Injury or Property Damage to which this coverage applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SECTION I.E, SUPPLEMENTARY PAYMENTS - COVERAGES A AND B. This coverage applies only to Bodily Injury and Property Damage arising out of and caused by an Occurrence during the Coverage Period. The Occurrence must take place in the Coverage Territory. The Trust will have the right and duty to defend any Lawsuit seeking those Damages. But:

1. The amount the Trust will pay for Damages is limited as described in SECTION II - LIMIT OF LIABILITY of Part I of this Scope of Coverage,
2. The Trust's right and duty to defend ends when the Trust has met the applicable Limit of Liability in the payment of judgments or settlements under this Coverage A or under Coverages B or C of this Part I of the Scope of Coverage.

Damages because of Bodily Injury include Damages claimed by any person or organization for care, loss of services or death resulting at any time from the Bodily Injury, and do not include Damages caused by or resulting from Law Enforcement Activities.

Property Damage that comprises loss of use of real property or tangible, personal property that is not physically damaged shall be deemed to have occurred at the time of the Occurrence that caused such loss of use.

B. COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY

1. The Trust will pay those sums that the Member becomes legally obligated to pay as Damages because of Personal Injury or Advertising Injury to which this coverage applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SECTION I.E, SUPPLEMENTARY PAYMENTS - COVERAGES A AND B. The Trust will have the right and duty to defend any Lawsuit seeking those Damages. But:

- a. The amount the Trust will pay for Damages is limited as described in SECTION II - LIMIT OF LIABILITY;
 - b. The Trust's right and duty to defend ends when the Trust has met the applicable Limit of Liability in the payment of judgments or settlements under Coverages A, B or C of this Section I.
2. This coverage applies to Personal Injury only if caused by an Offense:
- a. Committed in the Coverage Territory during the Coverage Period;
 - b. Arising out of the conduct of Member's business, including advertising, publishing, broadcasting or telecasting done by or for Member; and
 - c. Not arising out of Law Enforcement Activities or activities engaged in by: (1) a sheriff, deputy sheriff or member of a sheriff's office; or (2) a State's Attorney, Assistant State's Attorney or member of a State's Attorney's Office; or any other State official and employee that is merely funded by Member pursuant to State law, but is not deemed to be an official or employee of Member.
3. This coverage applies to Advertising Injury only if caused by an Offense committed:
- a. In the Coverage Territory during the Coverage Period; and
 - b. In the course of advertising Member's goods, products or services.

C. COVERAGE C - MEDICAL EXPENSE BENEFITS

BENEFITS PAID UNDER THIS MEDICAL EXPENSE BENEFITS COVERAGE SECTION MAY NOT DUPLICATE PAYMENTS MADE UNDER ANY OTHER COVERAGE SECTION.

The Trust will pay Medical Expense Benefits as described below for Bodily Injury caused by an Occurrence:

- 1. On premises Member owns or rents;
- 2. On ways next to premises Member owns or rents; or
- 3. Because of Member's operations;

provided that:

- a. The Occurrence takes place in the Coverage Territory and during the Coverage Period;
- b. The expenses are incurred and reported to the Trust within one year of the date of the Occurrence;

- c. The injured person submits to examination, at the Trust's expense, by physicians of the Trust's choice as often as the Trust reasonably requires; and
- d. The injured person releases Member and the Trust from any and all liability arising out of the Occurrence.

The Trust will provide these benefits regardless of fault. These payments shall not exceed the applicable Limit of Liability as stated on the Declarations page. The Trust may pay reasonable expenses for:

- 1. First aid at the time of the Occurrence;
- 2. Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- 3. Necessary ambulance, hospital, professional nursing and funeral services.

D. COVERAGE D - SEWER-RELATED DISCHARGE

Subject to a deductible of the greater of \$2,500 per Occurrence or the Deductible Amount set forth in the Declarations, the Trust will pay those sums that Member becomes legally obligated to pay as Damages because of Bodily Injury or Property Damage caused by or attributable to a Discharge.

Each of the following conditions must be met as a prerequisite to coverage under this Coverage D:

- 1. The Discharge commenced during the Coverage Period.
- 2. The Discharge was sudden and accidental and was neither expected nor intended by Member.
- 3. The Discharge commenced at a specific time and became known to Member within 48 hours thereafter.
- 4. The Discharge did not result from Member's willful and intentional violation of any governmental statute, rule or regulation.

E. SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

- 1. The Trust will pay, with respect to any Claim or Lawsuit the Trust defends:
 - a. all expenses the Trust incurs (excluding salaries of Employees or elected or appointed officials or representatives of Member) in investigating and defending any Claim or Lawsuit under this Scope of Coverage;

- b. Up to \$2,000 for cost of bail bonds required because of traffic accidents or traffic law violations arising out of the use of any vehicle to which the General Liability Scope of Coverage applies. The Trust is not required to furnish these bonds;
- c. The cost of appeal bonds and bonds to release attachments, but only for bond amounts within the applicable Limit of Liability. The Trust is not required to furnish these bonds;
- d. Subject to prior approval of the Trust, all reasonable expenses incurred by any Employee or elected or appointed official or representative of Member who, at the Trust's request, assist the Trust in the investigation or defense of the Claim or Lawsuit, including actual loss of earnings up to \$250 per day per person because of time off from work and reasonable expenses;
- e. All costs and disbursements, not to exceed \$50,000, taxed by a court against Member in the Lawsuit and included in a judgment [excluding any sanction imposed by a court against Member pursuant to Federal Rule of Civil Procedure 11 (2004) or Maryland Rule 2-341(2004)];
- f. Pre-judgment interest awarded against Member on that part of the judgment the Trust pays. If the Trust makes an offer to pay the applicable Limit of Liability, the Trust will not pay any pre-judgment interest based on that period of time after the offer; and
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before the Trust has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Liability.

These payments will not reduce the Limit of Liability.

- 2. If the Trust defends a Member against a Claim or Lawsuit and an indemnitee of the Member is also named as a party to the Claim or Lawsuit, the Trust will defend that indemnitee if all of the following conditions are met:
 - a. The Claim or Lawsuit against the indemnitee seeks damages for which the Member has assumed the liability of the indemnitee in a Member Contract;
 - b. This Scope of Coverage applies to such liability assumed by Member;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee has also been assumed by Member in the same Member Contract;

- d. The allegations in the Claim or Lawsuit and the information known about the event(s) giving rise to the Claim or Lawsuit are such that no conflict appears to exist between the interests of the Member and the interests of the indemnitee;
- e. The Trust is requested by the indemnitee and Member to conduct and control the defense of that indemnitee against such Claim or Lawsuit and agree that the Trust may assign the same legal counsel to defend the Member and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - i. Cooperate with the Trust in the investigation, settlement or defense of the Claim or Lawsuit;
 - ii. Promptly sends the Trust copies of any demands, notices, summonses or legal papers received in connection with the Claim or Lawsuit;
 - iii. Notify any other insurer whose coverage is available to the indemnitee; and
 - iv. Cooperate with the Trust with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides the Trust with written authorization to:
 - i. Obtain records and other information related to the Claim or Lawsuit; and
 - ii. Conduct and control the defense of the indemnitee in such Claim or Lawsuit.

So long as the above conditions are met, attorneys' fees incurred by the Trust in the defense of the indemnitee, necessary litigation expenses incurred by the Trust and necessary litigation expenses incurred by the indemnitee at the Trust's request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph A.2. of Section I - COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, such payments will not be deemed to be damages for Bodily Injury and Property Damage and will not reduce the Limit of Liability.

- 3. The Trust's right and duty to defend a Member's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:
 - a. The Trust has met the applicable Limit of Liability in the payment of judgments or settlements; or
 - b. The conditions set forth above, or the terms of the agreement described in paragraph 2.f. above, are no longer met.

SECTION II - LIMIT OF LIABILITY AND DEDUCTIBLE

A. **LIMIT OF LIABILITY.** Regardless of the number of persons who constitute Member, the number of Claims made or the number of persons making Claims, the liability of the Trust during each Coverage Period is limited as follows:

1. The each Occurrence limit for Bodily Injury and Property Damage is \$1,000,000 and, subject to the Annual Aggregate Limit (7 below), and the Products and Completed Operations Liability Annual Aggregate Limit (6 below), whichever applies, \$1,000,000 is the most the Trust will pay for the sum of:
 - a. Damages under Coverages A and B;
 - b. Medical Expense Benefits under Coverage C; and
 - c. Bodily Injury and Property Damage under Coverage D
 because of all Bodily Injury and Property Damage arising out of any one Occurrence under this Part I of this Scope of Coverage.
2. The each Offense limit for Personal Injury and Advertising Injury is \$1,000,000 and, subject to the Annual Aggregate Limit (7 below), \$1,000,000 is the most the Trust will pay to any one person or organization for the sum of all Damages because of Personal Injury and/or Advertising Injury, regardless of whether coverage is provided under this Part I, and/or under Parts II and/or III of this Scope of Coverage.
3. Subject to a collective limit of \$100,000 each Occurrence for Medical Expense Benefits, \$5,000 is the most the Trust will pay under Coverage C of this Part I for Medical Expense Benefits because of Bodily Injury sustained by any one person for any one Occurrence.
4. Subject to the each Occurrence limit for Bodily Injury and Property Damage (1 above), \$1,000,000 is the most the Trust will pay for each Occurrence for Marina Legal Liability.
5. Subject to the each Occurrence limit for Bodily Injury and Property Damage (1 above), \$1,000,000 is the most the Trust will pay under Coverage A for Damages for Fire Legal Liability arising out of any one fire;
6. The Products and Completed Operations Liability Annual Aggregate Limit is \$2,000,000 and is the most the Trust will pay under Coverage A of this Part I of this Scope of Coverage for Damages because of Bodily Injury and Property Damage included in the Products and Completed Operations Liability;
7. The Annual Aggregate Limit of Liability for all covered Claims is \$2,000,000 and is the most the Trust will pay under this Part I of this Scope of Coverage in any single Coverage Period;

8. Condition A (Coordination of Limits Provision) found in Section V of this Part I is incorporated herein by reference.

The Limit of Liability of this Part I applies separately to each consecutive annual Coverage Period and to any remaining period of less than 12 months, starting with the beginning of the Coverage Period shown in the Declarations, unless the Coverage Period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Liability.

B. DEDUCTIBLE.

1. The Deductible Amount shown in the Declarations shall be paid by Member and shall apply separately to each Occurrence and/or Offense. The Deductible Amount applies to the combined total Damages and Claims Expenses relating to such Occurrence or Offense, whether or not payment for Damages is made. Upon written demand by the Trust, the Deductible Amount will be paid by Member within thirty (30) days. The Trust, in its discretion, may pay part or all of the Deductible Amount on behalf of Member to effect settlement of any Claim. The Deductible Amount shall apply whether the payment is made in satisfaction of a judgment or pursuant to the terms of an agreed settlement of a Claim on behalf of any one person or organization.
2. If a loss is covered by General Liability Coverage Part I and Public Officials Liability Coverage Part III, the Deductible Amount set forth in Coverage Part III shall apply.

SECTION III - EXCLUSIONS

Unless expressly excepted, the following exclusions apply to the General Liability Coverage Part I, the Law Enforcement Legal Liability (Wrongful Acts) Coverage Part II and the Public Officials Liability Coverage Part III.

THIS COVERAGE PART SHALL NOT PROVIDE COVERAGE FOR:

- A. Bodily Injury or Property Damage expected or intended by Member. This exclusion does not apply to Bodily Injury or Property Damage resulting from the use of reasonable force to protect persons or property or, only with respect to Part II - Law Enforcement Legal Liability of this Scope of Coverage, because of Law Enforcement Activities or any governmental action directed toward the prevention or control of crime.
- B. Bodily Injury or Property Damage for which Member is obligated to pay Damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for Damages:
 - 1. Assumed in a contract or agreement that is a Member Contract; or
 - 2. Imposed on Member as Tort Liability.

Solely for the purposes of liability assumed in a Member Contract, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than a Member are deemed to be Damages because of Bodily Injury or Property Damage, provided:

- a. Liability to such party for, or for the cost of, that party's defense has also been assumed in the same Member Contract; and
 - b. Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which Damages to which this Scope of Coverage applies are alleged.
- C. Any obligation of Member under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

Note: Exclusions D through L below do not apply to preclude coverage for Fire Legal Liability. This Scope of Coverage provides coverage for Fire Legal Liability up to the Limit of Liability specified in Section II.A.5 of this Part I.

- D. Bodily Injury to:
 - 1. An Employee of Member arising out of and in the course of employment by Member; or
 - 2. The spouse, child, parent, brother or sister of that Employee as a consequence of D.1 above.

This Exclusion D applies:

- a. Whether Member may be liable as an employer or in any other capacity; and
- b. To any obligation to share Damages with or repay someone else who must pay Damages because of the injury.

This Exclusion D does not apply to liability assumed by Member under a Member Contract.

- E. Any Claim or Lawsuit brought by the spouse, child, parent, brother or sister of an Employee of Member where the act or omission of such Employee caused the injury upon which the Claim or Lawsuit is based.
- F. Bodily Injury or Property Damage arising out of the ownership, maintenance, use or entrustment to others of any Aircraft, railroad car, railroad engine, Auto or Watercraft, owned or operated by or rented or loaned to Member. Use includes operation and Loading or Unloading.

This Exclusion F does not apply to:

- 1. Watercraft while ashore on premises Member owns or rents;
- 2. Watercraft that is 26 feet long or less;
- 3. Parking an Auto on, or on the ways next to, premises Member owns or rents, provided the Auto is not owned by or rented or loaned to Member;
- 4. Liability assumed under a Member Contract for the ownership, maintenance or use of Aircraft or Watercraft;
- 5. Bodily Injury or Property Damage arising out of the operation of Mobile Equipment.
- 6. Bodily Injury or Property Damage arising out of the operation of a Non-Owned Auto or a Hired Auto.
- G. Bodily Injury or Property Damage arising out of:
 - 1. The transportation of Mobile Equipment by an Auto owned or operated by or rented or loaned to Member;
 - 2. The use of Mobile Equipment in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunt activity.
- H. Bodily Injury or Property Damage due to war, whether or not declared or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

I. Property Damage to:

1. Property Member owns, rents, or occupies;
2. Property loaned to Member;
3. Personal property in Member's care, custody or control unless the personal property has been impounded and is in Member's safekeeping. This impounded property coverage exemption, however, will not apply to an impoundment that arises out of a violation of any statute, ordinance or regulation;
4. That particular part of real property on which Member or any contractors or subcontractors working directly or indirectly on Member's behalf are performing operations, if the Property Damage arises out of those operations; or
5. That particular part of any property that must be restored, repaired or replaced because the Member's Work was incorrectly performed on it.

Paragraphs 2, 3, 4 and 5 of this Exclusion I do not apply to liability assumed under a sidetrack agreement.

Paragraph 5 of this Exclusion I does not apply to Property Damage included in the Products and Completed Operations Liability.

Paragraph 3 of this Exclusion I does not apply to Marina Legal Liability.

- J. Property Damage to Member's Product arising out of it or any part of it.
- K. Property Damage to Member's Work arising out of it or any materials, parts or equipment furnished in connection with such Work that is defective or actively malfunctions, and included in the Products and Completed Operations Liability.
- L. Property Damage to Impaired Property or property that has not been physically injured, arising out of:
1. A defect, deficiency, inadequacy or dangerous condition in Member's Product or Member's Work; or
 2. A delay or failure by Member or anyone acting on Member's behalf to perform a contract or an agreement in accordance with its terms.

This Exclusion L does not apply to the loss of use of other property arising out of sudden and accidental physical injury to Member's Product or Member's Work after it has been put to its intended use.

- M. Damages claimed for any loss, cost or expense incurred by Member or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

1. Member's Product;
2. Member's Work; or
3. Impaired Property; if:

such Product, Work, or Impaired Property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

- N. Bodily Injury or Property Damage arising out of activities at any airport which is operated, maintained or controlled by Member; however, this Exclusion N does not apply to a passive lessor of land upon which an airport is located. Any actions of Member or its Employees that may be defined as regular or normal activities involving airport operations, maintenance or control are excluded from this Scope of Coverage. These activities include, but are not limited to, day-to-day operations, security, air traffic control, maintenance or direct physical job assignment to the airport premises. Joint ventures with private or public entities for day-to-day airport operations are also excluded under this Scope of Coverage. This exclusion does not apply to the administrative decisions of Member.
- O. Bodily Injury or Personal Injury arising out of Member providing or failing to provide professional health care services by a duly licensed health care provider.

This Exclusion O does not apply:

1. to services by a certified medical technician or emergency medical technician or by any other Employee (other than a licensed physician) rendering professional medical or related care in a setting other than a hospital and not under control and direction of a hospital; or
2. to off-line administrative services by a Medical Director of Member.

For purposes of this exclusion, "off-line administrative services" means training, testing and credentialing of emergency medical services providers, development and oversight of operational standards, protocols, policies and procedures, personnel management, budgeting and/or program evaluation. "Off-line administrative services" does not include clinical practice by a licensed physician or on-line medical direction or medical command via telecommunication to emergency personnel providing patient care. However, Member (other than Medical Director) would be covered for on-line services.

P. [Reserved]

Q. Personal Injury or Advertising Injury:

1. Arising out of oral or written publication of material, if done by or at the direction of Member with knowledge or reckless disregard of its falsity;

2. Arising out of oral or written publication of material whose first publication took place before the beginning of the Coverage Period and Damages occurred before the beginning of the Scope of Coverage; or
3. Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of Member.

This Exclusion Q does not apply to Claims or Lawsuits which arise out of oral or written publication of material of a public official when acting in good faith within the scope of employment.

R. Advertising Injury arising out of:

1. Breach of contract, other than misappropriation of advertising ideas under an implied contract;
2. The failure of goods, products or services to conform to advertised quality or performance;
3. The inaccurate, incorrect, or incomplete description of the price of goods, products or services.

S. For purposes of Coverage C of Part I only, Bodily Injury:

1. To Member or any Employee of Member;
2. To a person hired to do Work for or on behalf of (i) Member or (ii) a tenant of any Member;
3. To a person, whether or not an Employee of Member, if benefits for the Bodily Injury are payable or must be provided under a workers' compensation or disability benefits law or a similar law;
4. Included within the Products and Completed Operations Liability;
5. To a person injured while taking part in an athletic event or training, exercise or practice for an athletic event.
6. Excluded under Coverage A of Section I of this Part I.

T. Bodily Injury, Property Damage, Personal Injury or Advertising Injury arising out of the failure of Member to adequately supply gas, oil, water, sewage facilities or systems, electricity or steam.

U. Punitive or exemplary Damages.

V. Any Bodily Injury or Property Damage caused by or attributable to an Environmental Impairment.

This Exclusion V does not apply to Bodily Injury or Property Damage arising out of the application of pesticides, fungicides or herbicides if the operations meet the standards of any statutes, ordinances, regulations or license requirements of any federal, state or local government which apply to the operations.

This Exclusion V does not apply to the escape, discharge, dispersal or release of fuels, lubricants, fluids, exhaust gases or other similar Pollutants that are needed for or result from the normal electrical, hydraulic or mechanical operation of Mobile Equipment or its parts, if the Pollutants escape or are discharged, dispersed or released directly from a part of the Mobile Equipment designed by its manufacturer to hold, store, receive or dispose of such Pollutants.

This Exclusion V does not apply to a Discharge to the extent the Discharge is covered under Coverage D of this Part I.

- W. Any Bodily Injury, Property Damage, Personal Injury or Advertising Injury caused by or attributable to asbestos, asbestos products, asbestos fibers, asbestos dust or any materials containing asbestos.
- X. Any Bodily Injury, Property Damage, Personal Injury or Advertising Injury caused by or attributable to radiation. For purposes of this exclusion, "radiation" includes, but is not limited to:
 - 1. Ionizing radiation, including gamma rays, X-rays, alpha particles, beta particles, neutrons, high speed electrons, high speed protons, and any other atomic or nuclear particles or rays;
 - 2. Any electromagnetic radiation that can be generated during the operation of a manufactured device that has an electronic circuit; or
 - 3. Any sonic, ultrasonic, or infrasonic waves that are emitted as a result of the operation, in a manufactured device, of an electronic circuit that can generate a physical field of radiation.
- Y. Fines, statutory or regulatory penalties, criminal fines, penalties or restitution assessments, costs or fees associated with injunctive relief.
- Z. Any Bodily Injury, Property Damage, Personal Injury or Advertising Injury caused by or attributable to a Court Ordered Community Service Worker or a Prisoner engaged in a Work Release Program.
- AA. Any Bodily Injury or Property Damage caused by or attributable to the use of a skateboard at a public skateboard facility or a bicycle at a public BMX biking facility.
- BB. Any Bodily Injury, Property Damage, Personal Injury or Advertising Injury caused by or attributable to lead paint.

SECTION IV - DEFINITIONS

The following definitions apply to the General Liability Coverage Part I, the Law Enforcement Legal Liability (Wrongful Acts) Coverage Part II and the Public Officials Liability (Errors and Omissions) Coverage Part III.

- Accident means a happening or event neither expected nor intended by or from the standpoint of Member.
- Advertising Injury means injury arising out of one or more of the following Offenses:
 - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - b. Oral or written publication of material that violates a person's right of privacy;
 - c. Misappropriation of advertising ideas or style of doing business; or
 - d. Infringement of copyright, title or slogan.
- Aircraft means any airplane, helicopter, glider, light flight, balloon, blimp or any other craft designed to fly in air or space.
- Annual Aggregate means the maximum amount stated in the Declarations of this Scope of Coverage for which the Trust will be liable in a single Coverage Period, regardless of the number of covered Claims.
- Annual Premium means the earned annual premiums charged by the Trust for coverage contained within this Scope of Coverage.
- Auto means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. Auto does not include Mobile Equipment.
- Bodily Injury means physical injury which occurs to the body and sickness, disease, disability or death resulting from such physical injury, including pain and suffering directly relating thereto. The term "Bodily Injury" shall not include mental anguish or emotional distress sustained by any claimant at any time unless a physical injury sustained by such claimant is the proximate cause of such mental anguish or emotional distress.
- Claim means the direct or indirect assertion of any legal right alleging liability or responsibility on the part of Member arising out of an Occurrence or Wrongful Act and shall include (i) a Lawsuit filed by a claimant or a representative of a claimant, (ii) a demand letter from a claimant or a representative of a claimant or (iii) any other written communication from a claimant or a representative of a claimant.
- Claims Expenses means expenses incurred by, or with the prior written consent of, the Trust for the investigation, settlement or defense of any Claim for which coverage is afforded under this Scope of Coverage, including:
 - a. Fees, costs and expenses charged by any lawyer, consultant or professional designated by the Trust;

- b. Fees, costs and expenses resulting from technical investigation such as that performed by engineering firms and other outside service personnel designated by the Trust;
 - c. Premiums on defense and appeal bonds on judgments or obligations within the Limit of Liability. However, nothing in this definition will be construed as imposing any obligation on the Trust to pursue an appeal or to apply for or furnish such defense and appeal bonds; and
 - d. All other costs resulting from the investigation and adjustment of a Claim.
- Court Ordered Community Service Worker means any individual (i) ordered by a court to perform community service as a condition of probation, as a condition to a suspended sentence or in lieu of payment of any fines or court costs imposed, or (ii) accused of criminal activity who volunteers to perform community service prior to or in anticipation of a court proceeding.
- Coverage Period means the Coverage Period stated in the Declarations.
- Coverage Territory means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if:
 - 1. The injury or damage arises out of:
 - (a) Goods or products made or sold by Member in the territory described in a. above; or
 - (b) The activities of a Member who is domiciled in the territory described in a. above, but is away for thirty (30) days or less on Member's business; and
 - 2. Member's liability is determined in a Lawsuit on the merits in the territory described in a. above or in a settlement to which the Trust agrees in writing.
- Damages means only compensatory damages as a result of a Claim. The term "Damages" does not include (without limitation) (i) civil, criminal or administrative fines, (ii) exemplary or punitive damages, (iii) statutory or regulatory penalties, (iv) restitution payments, costs or fees associated with declaratory, injunctive or other equitable relief (v) attorneys' fees, or (vi) Claims Expenses.
- Declarations means the section located at the beginning of this Scope of Coverage that sets forth the name of Member, the coverage purchased, the Limit of Liability, the premiums charged and Scope of Coverage dates.

- Deductible Amount means the amount set forth in the Declarations part of this Scope of Coverage.
- Discharge means an emission of liquids or solids or both into a residential or commercial building from a publicly owned and operated sewer system.
- Employee means an individual who is hired and paid by Member to provide services or perform duties under the supervision, control and direction of Member if Member has the power or right to supervise, control and direct the individual in the material details of how the services are provided or the duties are performed. The term "Employee" shall not include Prisoners (unless they are Employees on the date they become Prisoners) or Private Contractors.
- Environmental Impairment means any discharge, dispersal, emission, release, or escape of Pollutants into or upon land, the atmosphere or any groundwater, watercourse or body of water.
- Fire Legal Liability means Property Damage to that portion of the real property of others that is leased or loaned to, or controlled or maintained by, Member that results from fire and was caused by the carelessness or negligence of Member as regards such leased, loaned, controlled or maintained real property.
- Hired Auto means only those Autos Member leases hires, rents or borrows. This does not include any Auto Member leases, hires, rents, or borrows from any of Member's Employees, elected or appointed officials or representatives of Member, or partners or members of their households.
- Impaired Property means tangible property, other than Member's Product or Member's Work, that cannot be used or is less useful because:
 - a. It incorporates Member's Product or Member's Work that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. Member has failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of Member's Product or Member's Work; or
 - b. Member's fulfilling the terms of the contract or agreement.
- Indemnification Agreement means any part of any contract or agreement under which Member assumes the risk to the indemnified party of Tort Liability of another to pay Damages because of Bodily Injury or Property Damage to a third person or organization, provided
 - a. The contract or agreement is made prior to the Bodily Injury or Property Damage;
 - b. The contract or agreement serves a governmental purpose; and

- c. The contract or agreement does not assume the risk of liability arising out of any wrongful or negligent conduct of the indemnified party.
- Law Enforcement Activities means all activities related to investigation of crime, apprehension and arrest of suspects, care and supervision of Prisoners, and security and related tasks performed by the Employees of any police department or unit, or corrections department or unit, of Member who were acting within the scope of their employment, but excluding any conduct of such Employees arising out of secondary employment by a person other than Member named in the Declarations of this Scope of Coverage or while off-duty. With respect to a sheriff, deputy sheriff, or member of a sheriff's office, Law Enforcement Activities means all activities related to investigation of crime, apprehension and arrest of suspects, care and supervision of Prisoners, and security and related tasks within the scope of such sheriff's or deputy's employment, but excluding all activities directly relating to: (1) courthouse security; (2) service of process; (3) the transportation of inmates to and from court proceedings; (4) personnel or other administrative activities; (5) activities relating to performing law enforcement functions arising under a multi-jurisdictional agreement under the supervision and direction of the Maryland State Police or other State agency; (6) any other activity that Section 9-108 of the State Finance and Procurement Article of the Annotated Code of Maryland, as amended, does not require the Member named in the Declarations of this Scope of Coverage to insure and/or defend; and (7) secondary employment by a person other than the sheriff or while off-duty.
- Lawsuit means a Claim filed in a state or a federal court, or any arbitration or alternative dispute resolution proceeding to which Member submits with the Trust's knowledge and consent and with the Trust having all rights to control the defense otherwise provided under this Scope of Coverage, for which there is coverage under this Scope of Coverage. Lawsuit does not include:
 - a. A Claim filed with an administrative agency for which there is no coverage under this Scope of Coverage;
 - b. An arbitration proceeding on a Claim for which there is coverage under this Scope of Coverage and to which Member submits without the Trust's consent; or
 - c. Any other alternative dispute resolution proceeding on a Claim for which there is coverage under this Scope of Coverage and to which Member submits without the Trust's consent.
 - d. Any Claim or lawsuit alleging criminal actions or violations.
- Limit of Liability means the total sum that the Trust is obligated to pay on Member's behalf, through judgment or settlement, as Damages resulting from a Claim covered by this Scope of Coverage.
- Loading or Unloading means the handling of property:
 - a. After it is moved from the place where it is accepted for movement into or onto an Aircraft, Watercraft or Auto;
 - b. While it is in or on an Aircraft, Watercraft or Auto; or

- c. While it is being moved from an Aircraft, Watercraft or Auto to the place where it is finally delivered.

But Loading or Unloading does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the Aircraft, Watercraft or Auto.

- Marina Legal Liability means the legal liability of Member for loss or damage to boats, engines and outboard motors which are in Member's care, custody or control for purposes of repair, storage or mooring including loss or damage to the property of others caused by said boats, engines or outboard motors.
- Medical Director means a licensed physician responsible for providing medical direction for Member's emergency medical services (EMS) providers and EMS operational program.
- Medical Expense Benefits means payment for all reasonable expenses arising from Personal or Bodily Injury and incurring within one (1) year from the date of the Occurrence for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, and professional nursing services and funeral services.
- Member means:
 - a. The Trust, a Local Government that is a member of the Trust, the Maryland Association of Counties ("MACo"), or the Maryland Municipal League ("MML"), as designated in the Declarations;
 - b. Any Public Entity that is sponsored for coverage in the Primary Liability Pool pursuant to the Trust Agreement;
 - c. All lawfully elected or appointed officials of Member while acting within the scope of their authority;
 - d. All boards, councils, commissions and units and members thereof that are operated exclusively by, under the exclusive jurisdiction of and directly controlled by Member, while acting within the scope of their authority;
 - e. All Employees of Member while acting within the scope of their employment and authority;
 - f. All Volunteers, but only while acting within the scope of their authority and while providing the public service or performing the public duty for which they volunteered;
 - g. All persons serving for and on behalf of a mutual pact, joint venture or similar contractual relationship between two or more Members, but only if: (1) Member named in the Declarations is directing the performance of the service and (2) the relationship has received the written approval of Member named in the Declarations. No person or organization is a Member with respect to any current

or past partnership or joint venture if it is not shown as a Member in the Declarations; and

- h. Sheriffs, deputy sheriffs and other members of a Sheriff's office, but only to the extent that the Member named in the Declarations to this Scope of Coverage is financially responsible for a Wrongful Act pursuant to Section 9-108 of the State Finance and Procurement Article of the Annotated Code of Maryland and, with respect to Law Enforcement Activities, only to the extent that coverage is provided pursuant to Part II – Law Enforcement Legal Liability of this Scope of Coverage.

- Member Contract means:

- a. A lease of premises;
- b. A sidetrack agreement;
- c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
- d. Any other easement agreement;
- e. An indemnification of any other municipality as required by ordinance;
- f. An elevator maintenance agreement;
- g. A Member Contract includes that part of any contract or agreement:
 - (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - i. Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - ii. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
 - (2) Under which Member, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of Member's rendering or failing to render professional services, including those listed in g(1)i. above and supervisory, inspection or engineering services;

However, g(1) and (2) apply only if the architect, engineer or surveyor is an Employee acting within the scope of employment.

- h. A Member Contract does not include that part of any contract or agreement that indemnifies any person or organization for Fire Legal Liability.

i. Subject to Subparagraph h. of this definition of Member Contract, an Indemnification Agreement.

- Mobile Equipment means:

- a. Non self-propelled property of a mobile nature;
- b. Unlicensed self-propelled vehicles
 - (1) Designed and used primarily to carry mounted equipment; or
 - (2) Not operated primarily on public roads; and
- c. Self-propelled vehicles, whether licensed or unlicensed
 - (1) Designed for highway use; but
 - (2) Not used for over the road transportation of people or cargo.

Mobile Equipment does not include (i) Aircraft; (ii) Watercraft; (iii) Autos; or (iv) trucks, trailers and similar conveyances designed for highway use and used for over the road transportation of people or cargo.

- Non-Owned Auto means only those Autos Member does not own, lease, hire, rent or borrow that are used in connection with the Member's business. This includes Autos owned by Member's Employees or partners or members of their households but only while used in the Member's business.
- Occurrence means an Accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- Offense means any act giving rise to Advertising Injury or Personal Injury.
- Personal Injury means injury, other than Bodily Injury, arising out of one or more of the following Offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. Wrongful entry into, or eviction of a person from a room, dwelling or premises that the person occupies;
 - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication of material that violates a person's right of privacy;
 - f. Alienation of affections or humiliation, mental injury, distress, anguish, or shock.

- Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including vapor, fumes, acids, alkalis, chemicals, dust and waste, including, without limitation, any material which, after its release, can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, loss of marketability or loss of use to Property covered hereunder, including, but not limited to, bacteria, fungi, virus, or hazardous substances as listed in the Federal Water Pollution Control Act of 1976, as amended, the Toxic Substances Control Act, as amended, or as designated by the U.S. Environmental Protection Agency or other State Environmental Agencies.
- Prisoner means any individual who is convicted or accused of violating a criminal statute and who is detained, held in custody or captivity or whose freedom is restricted in any manner by a governmental agency.
- Private Contractor means a person who contracts with Member to provide services or perform duties for Member, but over whom Member has no immediate and direct control with respect to the manner in which the services are to be provided or the duties are to be performed.
- Product means:
 - a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) Member;
 - (2) Others trading under the Member's name; or
 - (3) A person or organization whose business or assets Member has acquired; and
 - b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

The Term Product includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in a. or b. above.

The Term Product does not include vending machines or other property rented to or located for the use of others but not sold.

The term "Product" shall not include electricity, gas, water or steam furnished by Member.

- Products and Completed Operations Liability includes all Bodily Injury and Property Damage occurring away from premises Member owns or rents and arising out of Member's Product or Member's Work except:
 - a. Products that are still in Member's physical possession; or
 - b. Work that has not yet been completed or that has been incomplete or abandoned.

Member's Work will be deemed completed at the earliest of the following times:

- a. When all of the Work to be done at the site has been completed if Member's contract calls for Work at more than one site;
- b. When that part of the Work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

This hazard does not include Bodily Injury or Property Damage arising out of:

- a. The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the Loading or Unloading of it;
- b. The existence of tools, uninstalled equipment or abandoned or unused materials.

- Products and Completed Operations Liability Annual Aggregate Limit means the amount stated as the coverage limit in the Declarations for the Annual Aggregate Products and Completed Operations Liability Limit of Liability.
- Property Damage means (i) direct physical damage to, destruction of, or contamination of real or tangible personal property including all resulting loss of use of that property, or (ii) loss of use of real property or tangible personal property that has been evacuated, withdrawn from use or rendered inaccessible during the Coverage Period. Property Damage that is loss of use of real property or tangible personal property that is not physically injured will be deemed to have occurred at the time of the Occurrence that caused such loss of use.
- Scope of Coverage means the complete coverage form in its entirety for the Primary Liability Program only.
- Tort Liability means a liability that is imposed by law rather than by contract or agreement.
- Trust means the Local Government Insurance Trust.
- Trust Agreement means the Trust Agreement dated July 1, 1987, as amended or restated from time to time.
- Volunteer means an individual who, at the request of Member, and under Member's control and direction, provides services or performs duties without compensation, except for reasonable reimbursement for out-of-pocket expenses. The term "Volunteer" shall not include an individual who is providing services or performing duties pursuant to an order of court or consent or settlement agreement, including but not limited to Court Ordered Community Service Workers.
- Watercraft means any ship, boat, barge, raft, canoe, or any other craft, whether self-propelled or non self-propelled, designed for use in, on or under the water.
- Work means:
 - a. Labor or operations performed by Member or on behalf of Member; and

- b. Materials, parts or equipment furnished in connection with such labor or operations.

Work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in a. or b. above.

- Work Release Program means a program under which Prisoners are granted the privilege of leaving actual confinement for the purpose of working at private or public employment, receiving training, or attending school.
- Wrongful Act means any tortious act, error or omission committed by Member.

SECTION V - CONDITIONS

The following conditions apply to the General Liability Coverage Part I, the Law Enforcement Legal Liability (Wrongful Acts) Coverage Part II and the Public Officials Legal Liability (Errors and Omissions) Coverage Part III.

A. COORDINATION OF LIMITS; REQUIRED COVERAGES

1. If a loss is covered by more than one Coverage Part under this Scope of Coverage issued to Member by the Trust, the maximum Limit of Liability of the Trust shall not exceed the highest applicable limit under any one Coverage Part.
2. In order for Member to purchase Law Enforcement Legal Liability Coverage or Public Officials Legal Liability Coverage, Member must purchase General Liability Coverage under Part I of this Scope of Coverage.

B. DEFENSE, SETTLEMENT AND APPEAL

The following provisions shall apply to the defense, settlement and appeal of all Claims for which coverage is afforded by this Scope of Coverage:

1. a. Except as provided in Subparagraph b below, the Trust shall defend any Lawsuit made against Member and for which coverage is afforded by this Scope of Coverage, even if the allegations of the Lawsuit are groundless, false or fraudulent. The Trust may make such investigation of any such Lawsuit as it deems necessary or appropriate. The Trust shall not be obligated to pay any Damages or Claims Expenses or to defend any Lawsuit after the applicable Limit of Liability (including the Annual Aggregate Limit of Liability) under this Scope of Coverage has been exhausted by payment of Damages.
- b. Subject to the provisions of this Subparagraph b, the Trust shall have the right, in its sole discretion, to decline to defend a Lawsuit if the Trust determines, after consultation with Member, that the allegations within the Scope of Coverage are insufficient to justify the Trust's participation in the defense in light of the purpose of the Lawsuit and the unlikely or minimal financial or economic exposure to Member other than defense costs. At the request of Member, the Board of Trustees shall review any decision not to defend a Lawsuit made under this subparagraph. If the Trust declines to defend a Lawsuit under this subparagraph, the Trust shall nonetheless remain liable for any Damages for which coverage is afforded by this Scope of Coverage, which are incurred as a result of the Lawsuit.
2. a. The Trust shall have the right, at its sole discretion, to select and appoint counsel to defend Member and to settle any Claim or Lawsuit. Member shall remain fully liable for and shall pay the Deductible Amount stated in the Declarations. In the event the Trust permits Member to select or appoint counsel at Member's expense or

to assume the defense of a Claim or Lawsuit at Member's expense, Member may not apply any expenses incurred or paid by Member in defending the Claim or Lawsuit to satisfy its obligation to pay the Deductible Amount stated in the Declarations.

- b. Subject to Subparagraph c below, the Trust shall have the right, at its sole discretion, to control any Claim or Lawsuit in which the Trust has assumed the defense, including without limitation supervision and direction of assigned counsel, development and implementation of litigation strategy and disposition of the Claim or Lawsuit. Member shall instruct assigned counsel to follow the litigation directions of the Trust. In the event Member declines to accept assigned counsel, fails to instruct assigned counsel to follow the litigation directions of the Trust, declines to follow the litigation strategy developed by the Trust or refuses to accept the disposition of the Claim or Lawsuit effected by the Trust, the Trust may, in its sole discretion, decline coverage and refuse to assume, or withdraw from, the defense.
 - c. If the Trust assumes the defense of a Claim or Lawsuit while reserving its right later to decline coverage, assigned counsel is obligated at all times to minimize the financial or economic exposure of Member. The Trust may not direct assigned counsel to take any action in connection with the Claim or Lawsuit to advance or protect the financial or economic interests of the Trust if such action would increase the financial or economic exposure of Member. In the event there is a conflict of financial or economic interest between the Trust and Member, assigned counsel shall at all times resolve that conflict in favor of Member.
 - d. IT IS THE RESPONSIBILITY OF MEMBER, AT THE TIME THE TRUST IS NOTIFIED OF A CLAIM OR LAWSUIT, TO DISCLOSE TO THE TRUST IF MEMBER HAS LITIGATION OBJECTIVES OTHER THAN THE MINIMIZATION OF FINANCIAL OR ECONOMIC EXPOSURE TO MEMBER. IF MEMBER HAS LITIGATION OBJECTIVES THAT MAY CONFLICT WITH THE MINIMIZATION OF FINANCIAL OR ECONOMIC EXPOSURE TO MEMBER, THE TRUST WILL NOT ASSUME THE DEFENSE AND WILL DECLINE COVERAGE. IF THE TRUST ASSUMES THE DEFENSE, MEMBER AGREES THAT ITS SOLE LITIGATION OBJECTIVE IS THE MINIMIZATION OF FINANCIAL OR ECONOMIC EXPOSURE TO MEMBER.
3. The determination of the Trust as to the reasonableness of Claims Expenses shall be conclusive upon Member.
 4. Member shall not make any payment, admit any liability, settle any Claim or Lawsuit, assume any obligation or incur any expense with respect to a Claim or Lawsuit without the written consent of the Trust.

5.
 - a. In the event a verdict is rendered, a judgment is entered, or an award is made against Member, the taking of an appeal shall be at the sole discretion of the Trust. Prior to making a decision whether or not to appeal, the Trust shall consult with Member with respect to such decision, provided, however, that Member's disagreement with the Trust shall not affect the Trust's right to make a decision with respect to appeal contrary to the wishes of Member.
 - b. In the event that a verdict, judgment or award against Member is appealed by Member without the consent of the Trust, the Trust shall not be liable for any costs of the appeal, including (without limitation) attorneys' fees, appeal bonds or post-judgment interest accruing during the course of such appeal.
 - c. In the event that an appeal taken by Member without the consent of the Trust results in a final verdict, judgment or award against Member in an amount less than the verdict, judgment or award appealed from and thereby results in an actual reduction in the amount which the Trust is required to pay under this Scope of Coverage, the Trust will reimburse Member the costs of the appeal (including the premium for any appeal bond and reasonable attorneys' fees) in an amount not exceeding the lesser of: (1) the actual costs of the appeal; or (2) the reduction in the amount for which the Trust would have been liable had Member not appealed.
 - d. In the event that an appeal taken by Member without the consent of the Trust results in a final verdict, judgment or award against Member in an amount greater than that of the verdict, judgment or award from which the appeal was taken, the liability of the Trust for such verdict, judgment or award shall not exceed the amount of the Trust's liability for the verdict, judgment or award from which the appeal was taken and Claims Expenses incurred up to the date of such verdict, judgment or award.
6.
 - a. Notwithstanding anything to the contrary in this Scope of Coverage, the Trust shall not be obligated to pay Claims Expenses for the defense, settlement or appeal of any part of a Claim or Lawsuit that seeks non-pecuniary relief or punitive damages, alleges intentional, knowing, willful, wanton, deliberate or reckless violation of any statute, regulation, ordinance, notice of violation, notice letter or demand of any government agency, or any administrative, executive or judicial order, or that alleges any fraudulent, willful and wanton, reckless or malicious act or omission committed by, at the direction of, or with the knowledge of Member, whether or not acting within the course and scope of employment or duties with, or on behalf of, Member. The Trust also shall not be obligated to pay Claims Expenses for the defense, settlement or appeal of government (state, federal or local) regulatory compliance orders or actions, government fines, licensing actions, or for the loss of revenue from these actions or taxpayer suits as the result of these actions.

- b. In the event of a Lawsuit making allegations both within and without coverage under this Scope of Coverage, the Trust is obligated to defend against only those allegations falling actually or potentially within coverage, and may apportion Claims Expenses incurred in defending Member in accordance with subparagraph 6.a., above. The Trust shall be responsible only for Claims Expenses reasonably related to allegations seeking Damages to which this Scope of Coverage applies.

- 7. If the Trust assumes the defense of a Lawsuit making allegations both within and without coverage under this Scope of Coverage, and if, through judicial action or otherwise, the allegations within coverage are removed from the Lawsuit, regardless of whether such allegations may be restored on appeal, the Trust, in its sole discretion, may withdraw from the defense unless and until the judicial action removing such allegations is appealed.

C. MEMBER'S DUTIES IN THE EVENT OF OCCURRENCE, WRONGFUL ACT, CLAIM OR LAWSUIT

Failure to comply with the provisions of this Subsection C will, at the Trust's option, result in the Trust's denying coverage with respect to such Claim or Lawsuit.

- 1. Member must promptly notify the Trust of any Claim or Lawsuit that may reasonably create a Claim under this Scope of Coverage. Notice should include:
 - a. How, when and where events, happenings and circumstances underlying a Claim or Lawsuit occurred, arose or took place; and
 - b. The names and addresses of any injured persons and witnesses.
- 2. If a Claim is made or Lawsuit is brought against Member, Member must see to it that the Trust receives prompt written notice of the Claim or Lawsuit.
- 3. Member shall:
 - a. Immediately send the Trust copies of any demands, notices, summonses or legal papers received in connection with any Claim or Lawsuit;
 - b. Authorize the Trust to obtain records and other information;
 - c. Cooperate with the Trust in the investigation, settlement or defense of the Claim or Lawsuit; and
 - d. Assist the Trust, upon the Trust's request, in the enforcement of any right against any person or organization which may be liable to Member with respect to any injury or Damage Member has or may incur with regard to such Claim or Lawsuit.

4. No Member will, except at its own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the Trust's consent.

D. LEGAL ACTION AGAINST THE TRUST

No person or organization has a right under this Scope of Coverage:

1. To join the Trust as a party or otherwise bring the Trust into a Lawsuit asking for Damages from Member; or
2. To sue the Trust on this Scope of Coverage unless all of the terms of this Scope of Coverage, including without limitation the requirements of Part I., Section V.O and the Trust Agreement have been fully complied with by Member.

A person or organization may sue the Trust to recover on an agreed settlement or on a final judgment against Member obtained after an actual trial provided that the Trust had notice of the Claim or Lawsuit prior to the commencement of trial and had a meaningful opportunity to investigate and settle the Claim and participate in the defense of the Claim; but the Trust will not be liable for Damages that are not payable under the applicable terms of this Scope of Coverage or that are in excess of the applicable Limit of Liability. An agreed settlement means a settlement and release of liability signed by the claimant or the claimant's legal representative, provided the Trust had notice of the claim prior to settlement and a meaningful opportunity to investigate the claim and participate in the negotiation of the agreed settlement.

E. OTHER COVERAGE

If other coverage is available to Member for a loss the Trust covers under Coverages A or B of this Coverage Part I, the Trust's obligations are limited as follows:

1. Primary Coverage

This coverage is primary except when 2 below applies. If this coverage is primary, the Trust's obligations are not affected unless any of the other coverage is also primary. Then, the Trust will share with all that other coverage by the method described in 3 below; unless the inception of the other primary coverage precedes the Trust's Coverage Period, then the Trust's coverage will be by the method described in 2 below.

2. Excess Coverage

This coverage is excess over any other coverage, whether primary, excess, contingent or on any other basis:

- a. That is fire, extended coverage, builder's risk, installation risk or similar coverage for Member's Work;
- b. That is fire coverage for premises rented to Member; or

- c. If the loss arises out of the maintenance or use of Aircraft, Autos or Watercraft to the extent not subject to Section III, Exclusion F, or
- d. Under which Member has an additional insured status under an insurance contract, or
- e. That is professional liability, medical malpractice or similar coverage for a Medical Director of Member.

When this coverage is excess, the Trust will have no duty under Coverage A or B to defend any Claim or Lawsuit that an insurer has a duty to defend. If no insurer defends, the Trust will undertake to do so, but the Trust will be entitled to Member's rights against all those insurers.

When this coverage is excess over other coverage, the Trust will pay only the Trust's share of the amount of the loss, if any, that exceeds that sum of:

- a. The total amount that all such other coverage would pay for the loss in the absence of this coverage; and
- b. The total of all deductible and self-insured amounts under all that other coverage.

The Trust will share the remaining loss, if any, with any other coverage that is not described in this Excess Coverage provision and was not purchased specifically to apply in excess of the Limit of Liability shown in the Declarations of this Coverage Part.

3. Method of Sharing

If all of the other coverage permits contribution by equal shares, the Trust will follow this method also. Under this approach each insurer and the Trust contributes equal amounts until it has paid its applicable Limit of Liability or none of the loss remains, whichever comes first.

If any of the other coverage does not permit contribution by equal shares, the Trust will contribute by limits. Under this method, each insurer's share and the Trust's share are based on the ratio of its applicable Limit of Liability to the total applicable limits of liability of all insurers and the Trust. However, if the inception of the other primary coverage precedes the Trust's Coverage Period, then the Trust's coverage will be excess over that coverage and not applicable until the limits of such other coverage are exhausted.

F. PREMIUM AUDIT

- 1. The Trust will compute all premiums for this Coverage Part in accordance with the Trust's rules and rates.

2. The Premium shown in this Coverage Part is a deposit premium only. Additional premiums may be assessed by the Trust according to the Trust Agreement and Bylaws upon completion of a certified actuarial study of loss experience and exposure base and approval of the Board of Trustees.

G. REPRESENTATIONS

By accepting this Scope of Coverage, Member agrees:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations Member made to the Trust; and
3. The Trust has issued this Scope of Coverage in reliance upon Member's representations.

H. SEPARATION OF MEMBERS

Except with respect to the Limit of Liability, and any rights or duties specifically assigned in this Coverage Part to Member, this coverage applies:

1. As if each Member were the only Member; and
2. Separately to each Member against whom Claim is made or Lawsuit is brought.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO THE TRUST

If the Member has rights to recover all or part of any payment the Trust has made under this Coverage Part, those rights are transferred to the Trust. Member must do nothing after loss to impair them. At the Trust's request, Member will bring a Lawsuit or transfer those rights to the Trust and help the Trust enforce them.

J. CANCELLATION

1. Cancellation of this Scope of Coverage, in part or in total is governed by the terms and conditions of the Trust Agreement and Bylaws.
2. If the Trust decides to make a material change in the Scope of Coverage during the term of the Coverage Period, the Trust will mail or deliver to the individual at the address shown in the Declarations written notice of the change. Disputes that may arise will be arbitrated by the Board of Trustees pursuant to the Trust Agreement and Bylaws and Underwriting Committee.

K. EXAMINATION OF MEMBER'S BOOKS AND RECORDS

The Trust may examine and audit Member's books and records as they relate to this Scope of Coverage at any time during the Coverage Period and up to three years afterward. Such examination can be made during normal business hours on seven (7) business days' oral or written notice.

L. INSPECTIONS AND SURVEYS

The Trust has the right, but is not obligated to, make underwriting inspections, risk assessments and loss control surveys at any time, give Member reports on the conditions found by the Trust, and recommend changes in risk management procedures to Member. Any inspections, surveys, reports, or recommendations relate only to the grounds for coverage and the premiums to be charged. The Trust does not make safety inspections. The Trust does not undertake to perform the duty of any person to provide for the health or safety of workers or the public.

M. PREMIUMS

Member shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums the Trust pays.

N. TRANSFER OF MEMBER'S RIGHTS AND DUTIES UNDER THIS SCOPE OF COVERAGE

Member's rights and duties under this Scope of Coverage may not be transferred without the Trust's written consent.

O. DISPUTES, OTHER COVERAGE

The Trust Agreement, Bylaws, and this Scope of Coverage will determine the duties, liabilities, obligations, and responsibilities of both Member and the Trust. Because of the unique structure and relationship of the Trust to Member, disputes, if any, between Member and the Trust Relative to the interpretation of, or the coverage provided by, this Scope of Coverage will, upon the written request of Member to the Director of Claims Services, copied to the Executive Director of the Trust, be referred to the appropriate committee as determined by the Board of Trustees, with the final resolution of such dispute, if not resolved to Member's satisfaction by such committee, to be made by the Board of Trustees.

The Trust under this Scope of Coverage is providing primary liability coverage to its Members. However, the coverage hereunder will be excess over any other primary insurance coverage if the inception date of the other coverage is prior to the Coverage Period. In the situation where the pre-existing primary coverage has deductible or retention provisions, the Trust will not provide coverage until all limits of liability have been exhausted by the pre-existing primary coverage carrier.

P. DIFFERENCES IN CONDITIONS AS RELATES TO COVERAGE PARTS FOR THIS SCOPE OF COVERAGE

This General Liability Coverage Part I has conditions pertinent to all Coverage Parts provided, however, an individual Coverage Part may contain language that limits or changes the meaning of the conditions in this Coverage Part I. The individual Coverage Parts, if stated, will prevail over the conditions in this Coverage Part I. However, when individual Coverage Parts are silent, the conditions in this Coverage Part I will prevail. If any part of this Scope of Coverage is held to be invalid, it will not invalidate the terms or conditions of the rest of the Scope of Coverage, Trust Agreement, or Bylaws of the Trust.

Q. ADDITIONAL INSURED

The term "Member" does not extend to an additional insured except as specifically authorized by the Board of Trustees. The owner of property in which Member has a leasehold interest will not be a Member or additional insured for the purposes of this Scope of Coverage. Member may not, without the prior written authorization of the Board of Trustees, make any party with which it has a contractual obligation a Member or an additional insured hereunder. Member may request that this Scope of Coverage extend to a Public Entity (as defined in the Trust Agreement) other than Member provided that such other Public Entity:

1. is subject to the Local Government Tort Claims Act limitations on liability as set forth in Md. Cts. & Jud. Proc. Code Ann., §5-301, *et seq.*; or
2. is subject to the Maryland Tort Claims Act limitations on liability as set forth in Md. State Gov't Code Ann. §12-101, *et seq.*; or
3. is subject to the County Boards of Education limitations on liability as set forth in Md. Educ. Code Ann. §4-101, *et seq.*

With respect to a Member Contract, this Scope of Coverage will not automatically extend to another entity as an additional insured even if Member has assumed the Tort Liability of that other entity by contract or agreement.

R. SUBROGATION CLAUSE

If Member or any other entity to or for whom the Trust makes payment under this coverage has rights to recover damages from another, those rights are transferred to the Trust to the extent of the Trust's payment. Member or that other entity must do everything necessary to secure and preserve the Trust's rights and must do nothing to impair such rights. The proceeds of any recovery on any subrogation shall be used: first, to make Member whole with respect to any Damages that Member is legally obligated to pay by reimbursing Member and paying Member any deductible; second, to reimburse the Trust for any Damages and Claims Expenses incurred in resolving the Claim; and third, to reimburse any other insurer that made any payment with respect to the Claim.

S. ASSIGNMENT

Assignment of interest under this Scope of Coverage shall not bind the Trust until its consent is endorsed thereon.

T. DEFENSE OF UNCOVERED CLAIM

In the event of a Claim for which coverage is not afforded by this Scope of Coverage, the Trust shall have the right, but not the duty, to assume responsibility for the defense and control of the Claim under the provisions, terms and conditions of this Scope of Coverage. Any plea, compromise, settlement, consent judgment or consent order in connection with a Claim which Member knows or reasonably expects may result in a Claim covered by the Scope of Coverage shall be entered by Member only with the prior written consent of the Trust.

U. COMPLIANCE WITH POLICY AND TRUST AGREEMENT

Coverage shall not be provided under this Scope of Coverage unless, as a condition precedent thereto, Member shall have fully complied with all the provisions, terms and conditions of this Scope of Coverage, and Member shall have fully complied with the Local Government Insurance Trust Agreement. Member shall have the burden of establishing by a preponderance of the evidence any fact that is a predicate to coverage under this Scope of Coverage.

V. BANKRUPTCY

Bankruptcy or insolvency of Member or of Member's estate will not relieve the Trust of the Trust's obligations under this Coverage Part.

W. CHANGES

This Scope of Coverage contains all agreements between Member and the Trust concerning the coverage afforded. None of the terms of this Scope of Coverage shall be waived or changed except by written endorsement issued to form a part of this Scope of Coverage. Notice to any agent, or knowledge possessed by an agent or other person acting on behalf of the Trust, shall not effect a waiver or a change of any of the terms or conditions of this Scope of Coverage nor shall it estop or bar the Trust from asserting any right which it may have under the terms of this Scope of Coverage.

X. NOTICE

Any notice, request, demand, communication or other paper required to be given under this Scope of Coverage shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, return receipt requested, postage prepaid, or sent by telegram or facsimile or delivered by hand, with an executed receipt there for.

Y. WAIVER

No delay or failure by the Trust to exercise any right or power granted to the Trust under this Scope of Coverage or to enforce any provision of this Scope of Coverage shall impair any such right or power or be construed as a waiver of such provision in the absence of an express writing to that effect signed by the Trust.

Z. ENTIRE AGREEMENT

This Scope of Coverage contains the entire agreement between the parties hereto concerning the coverage afforded herein. Neither they nor any other person on whom this Scope of Coverage shall be binding shall be bound by terms, conditions, statements, warranties or representations, oral or written, not herein contained.

AA. CAPTIONS, NUMBER AND GENDER

The captions in this Scope of Coverage are for the purpose of convenient reference and in no manner define, limit or prescribe the scope or intent of the Scope of Coverage or any part hereof. Where context requires, the plural shall include the singular, the masculine shall include the feminine, and vice versa.

BB. NATURAL AND LEGAL RELATIONSHIPS

Where context requires, the terms child, parent, brother and sister include natural, legally adoptive, foster and step relationships.

CC. CHOICE OF LAW

This Scope of Coverage shall be governed by and construed in accordance with the laws of the State of Maryland. All judicial actions, Claims, Lawsuits or proceedings brought by any person to enforce any rights hereunder shall be initiated and maintained only in the courts within the State of Maryland and not in the courts of any other jurisdiction.

LOCAL GOVERNMENT INSURANCE TRUST

SCOPE OF COVERAGE

PRIMARY LIABILITY PROGRAM

COVERAGE PART II

LAW ENFORCEMENT LEGAL LIABILITY (WRONGFUL ACTS)

COVERAGE PART II - LAW ENFORCEMENT LEGAL LIABILITY (WRONGFUL ACTS)

In consideration of the payment of the premium, the undertaking of Member to pay the deductible in the amount stated in the Declarations, and subject to all the terms, limitations and conditions of this Scope of Coverage, the Trust and Member agree as follows:

SECTION I - COVERAGE

- A. The Trust will pay on behalf of Member all sums (in excess of the Deductible Amount, if any, set forth in the Declarations) which Member becomes legally obligated to pay as Damages and Attorneys' Fee Award as a result of Claims first reported to the Trust during the Coverage Period against Member by reason of any Wrongful Act rendered in the discharge of duties on behalf of Member to provide Law Enforcement Activities. This includes Claims as the result of Prior Acts occurring before the Coverage Period subject to Section I.B of this Part II below.

This shall cover losses arising from any Claim first reported to the Trust during the Coverage Period against the estates, heirs, legal representatives or assigns of deceased persons who were Members at the time of the Wrongful Act upon which such Claims are based.

- B. Prior Acts will be covered provided that (1) the Prior Act occurred on or after the Retroactive Date specified in the Law Enforcement Legal Liability portion of the Declarations and (2) Member:
1. Had no prior notice or knowledge of the Claim arising from activities occurring prior to the Coverage Period; and
 2. Had no reason to expect a Claim from activities occurring prior to the Coverage Period. Reasonable expectations would be, but are not limited to:
 - a. Oral or written allegations received by Member from a third party of the intention to make a Claim;
 - b. Knowledge by Member's management of events or incidents that are likely to give rise to a Claim;
 - c. Adverse press or publicity concerning specific Law Enforcement Activities where coverage from Part II of this Scope of Coverage may apply.

No coverage will be extended to provide defense or indemnity for any Prior Act that is already a Claim or was a Claim or in the process of being arbitrated, settled or adjudicated, prior to the Coverage Period.

C. Supplementary Payments.

The Trust will pay, with respect to any Claim or Lawsuit the Trust defends, those supplementary payments as listed in Section I.E. of Part I, General Liability, of this Scope of Coverage.

SECTION II - LIMIT OF LIABILITY AND DEDUCTIBLE

- A. **LIMIT OF LIABILITY.** Regardless of the number of persons that constitute Member, the number of claims made, or the number of persons making Claims, the liability of the Trust during each Coverage Period is limited as follows:
1. The limit of the Trust's liability as stated in the Declarations is \$1,000,000 and is applicable to each Wrongful Act covered hereby;
 2. Regardless of the number of causes of action or theories of relief asserted, the Trust's liability will not exceed \$1,000,000 per Claim and in the aggregate per Coverage Period;
 3. The Annual Aggregate limit of the Trust's liability as stated in the Declarations is \$1,000,000, and, subject to the above provision respecting each loss, the maximum limit of the Trust's liability for each Coverage Period and the Trust's Annual Aggregate Limit of Liability shall neither be increased for any Extended Reporting Period nor shall a new Annual Aggregate Limit of Liability be created by the selection of any such Extended Reporting Period;
 4. The Trust shall be liable to pay, subject to the Limit of Liability stated above, only for Claims or losses in excess of any deductible shown in the Declarations with respect to each and every Claim or loss hereunder, and such Deductible Amount shall not be covered;
 5. Claims and losses based on or arising out of the same acts, errors or omissions or inter-related acts, errors or omissions of one or more persons that constitute Member shall be considered a single Claim or loss and only one Deductible Amount shall be applicable to such single Claim or loss;
 6. Section V.A (Coordination of Limits; Required Coverage) found in Part I, General Liability, is incorporated herein by reference.
- B. **DEDUCTIBLE.** The Deductible Amount shown in the Declarations shall be paid by Member and shall apply separately to each Claim or loss (*see* Section II.A.5 of this Part II above). The Deductible Amount applies to the combined total Damages and Claims Expenses relating to such Wrongful Act, whether or not payment for Damages is made. Upon written demand by the Trust, the Deductible Amount will be paid by Member within thirty (30) days. The Deductible Amount shall apply whether the payment is made in satisfaction of a judgment or pursuant to the terms of an agreed settlement of a Claim on behalf of any one person or organization. The Trust, in its discretion, may pay part or all of the Deductible Amount on behalf of Member to effect settlement of any Claim.
- C. **RETROACTIVE DATE.** The Retroactive Date applicable to this coverage is shown in the Law Enforcement Legal Liability portion of the Declarations.

SECTION III - EXCLUSIONS

The Exclusions listed in the General Liability Coverage Part are incorporated herein by reference. If any inconsistencies appear, the exclusions found in this Coverage Part II govern.

This coverage does not apply to liability:

1. Assumed by Member under any contract or agreement, unless the contract is a Mutual Aid Agreement;
2. For tortious acts or omissions beyond the scope of employment of Member;
3. For tortious acts or omissions committed with actual malice;
4. For punitive damages;
5. For acts or omissions not part of the authorized Law Enforcement Activities of Member;
6. For loss of money, securities, jewelry or fine arts in the care, custody and control of Member;
7. For Damages arising from any act or omission on the part of persons not covered hereunder in connection with a riot or civil disturbance.

SECTION IV - DEFINITIONS

The definitions found in Part I, General Liability, are incorporated herein by reference. If any inconsistencies appear, the definitions found in this Coverage Part II govern.

- Attorneys' Fee Award means amounts awarded by a court to a plaintiff or claimant in a federal or State civil rights action to reimburse the plaintiff or claimant for its attorneys' fees and expenses.
- Mutual Aid Agreement means a cooperative enterprise with one or more other law enforcement agencies in furtherance of their joint law enforcement pursuits.
- Prior Act means a Wrongful Act taking place prior to the Coverage Period.

SECTION V - CONDITIONS

The conditions found in Part I, General Liability, are incorporated herein by reference. If any inconsistencies appear, the conditions found in this Coverage Part II govern.

A. EXTENDED REPORTING PERIODS

1. The Trust will provide one or more Extended Reporting Periods, as described below, if:
 - a. This Coverage Part II is cancelled or not renewed; or
 - b. The Trust renews or replaces this Coverage Part with coverage that:
 - (1) Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
 - (2) Does not apply to Wrongful Acts on a Claims-made basis.
2. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the Coverage Period and lasts for:
 - a. Three years for Claims arising out of a Wrongful Act reported to the Trust not later than 60 days after the end of the Coverage Period, in accordance with paragraphs 1.a. and 1.b. above.
 - b. Sixty (60) days for all other Claims.

The Basic Extended Reporting Period does not apply to Claims that are covered under any subsequent coverage Member purchases, or that would be covered but for exhaustion of the amount of coverage applicable to such Claims.
3. A Supplemental Extended Reporting Period of unlimited duration is available, but only by an endorsement and for an extra charge. This supplemental period starts:
 - a. Three years after the end of the Coverage Period for Claims arising out of a Wrongful Act reported to the Trust, not later than 60 days after the end of the Coverage Period, in accordance with paragraphs 1.a. and b. above;
 - b. Sixty (60) days after the end of the Coverage Period for all other Claims.

Member must give the Trust a written request for the endorsement within 60 days after the end of the Coverage Period. The Supplemental Extended

Reporting Period will not go into effect unless the Member pays the additional premium within 30 days of the date on which it is due.

The Trust will determine the additional premium in accordance with the Trust's rules and rates. In doing so, the Trust may take into account the following:

- a. The exposures covered;
- b. Previous types and amounts of coverage;
- c. Limit of Liability available under this Coverage Part reserved for future payment of Damages; and
- d. Other related factors.

The additional premium will not exceed Two Hundred Percent (200%) of the Annual Premium for this Coverage Part.

This endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the coverage afforded for Claims first received during such period is excess over any other valid and collectible coverage available under policies in force after the Supplemental Extended Reporting Period starts.

- 4. Extended Reporting Periods do not extend the Coverage Period or change the Scope of Coverage.

Claims for such injury or damage which are first received and recorded during the Basic Extended Reporting Period (or during the Supplemental Extended Reporting Period, if it is in effect) will be deemed to have been made on the last day of the Coverage Period.

Once in effect, Extended Reporting Periods may not be cancelled.

- 5. Extended Reporting Periods do not reinstate or increase the Limit of Liability applicable to any Claim to which this Coverage Part applies.
- 6. Member, subject to the terms and conditions set forth herein, shall have a right to select the duration of the Extended Reporting Period.

LOCAL GOVERNMENT INSURANCE TRUST

SCOPE OF COVERAGE

PRIMARY LIABILITY PROGRAM

COVERAGE PART III

PUBLIC OFFICIALS LEGAL LIABILITY

(ERRORS AND OMISSIONS)

COVERAGE PART III - PUBLIC OFFICIALS LEGAL LIABILITY (ERRORS AND OMISSIONS)

In consideration of the payment of the premium, the undertaking of Member to pay the deductible in the amount stated in the Declarations, and subject to all the terms, limitations and conditions of this Scope of Coverage, the Trust and Member agree as follows:

SECTION I - COVERAGE

- A. The Trust will pay on behalf of Member all sums (in excess of the Deductible Amount, if any, set forth in the Declarations) which Member becomes legally obligated to pay as Damages and Attorneys' Fee Award as a result of Claims first reported to the Trust during the Coverage Period against Member by reason of any Wrongful Act rendered in the discharge of duties on behalf of Member. This includes Claims as the result of Prior Acts occurring before the Coverage Period subject to Section I.C of this Part III below.

This shall cover losses arising from any Claim first reported to the Trust during the Coverage Period against the estates, heirs, legal representatives or assigns of deceased persons, who were Members at the time of the Wrongful Act upon which such Claims are based.

- B. Employee Benefits Liability.

The Trust will pay on behalf of Member all sums that Member becomes legally obligated to pay as Damages because of Claims first reported to the Trust during the Coverage Period against Member by an Employee or former Employee (or the beneficiaries or legal representatives thereof), caused by a Wrongful Act of Member, or any other person for whose Wrongful Act Member is legally liable in the Administration of its Employee Benefits Programs.

- C. Prior Acts will be covered provided that (1) the Prior Act occurred on or after the Retroactive Date specified in the Declarations and (2) Member:
1. Had no prior notice or knowledge of the Claim arising from activities occurring prior to the Coverage Period; and
 2. Had no reason to expect a Claim from activities occurring prior to the Coverage Period. Reasonable expectations would be, but are not limited to:
 - a. Oral or written allegations received by Member from a third party of the intention to make a Claim;
 - b. Knowledge by Member's management of events or incidents that are likely to give rise to a Claim;

- c. Adverse press or publicity concerning specific Wrongful Acts of Administration where coverage from Part III of this Scope of Coverage may apply.

No coverage will be extended to provide defense or indemnity for any Prior Act that is already a Claim or was a Claim or in the process of being arbitrated, settled or adjudicated, prior to the Coverage Period.

D. Supplementary Payments.

The Trust will pay, with respect to any Claim or Lawsuit the Trust defends, those supplementary payments as listed in Section I.E of Part I, General Liability, of this Scope of Coverage.

SECTION II - LIMIT OF LIABILITY AND DEDUCTIBLE

- A. **LIMIT OF LIABILITY.** Regardless of the number of persons that constitute Member, the number of Claims made, or the number of persons making Claims, the liability of the Trust during each Coverage Period is limited as follows:
1. The limit of the Trust's liability as stated in the Declarations is \$1,000,000 and is applicable to each loss arising out of one Wrongful Act covered hereby;
 2. Regardless of the number of causes of action or theories of relief asserted, the Trust's liability will not exceed \$1,000,000 per Claim and in the aggregate per Coverage Period;
 3. The Annual Aggregate limit of the Trust's liability as stated in the Declarations is \$1,000,000, and, subject to the above provision respecting each loss, the maximum limit of the Trust's liability for each Coverage Period and the Trust's Annual Aggregate Limit of Liability shall neither be increased for any Extended Reporting Period nor shall a new Annual Aggregate Limit of Liability be created by the selection of any such Extended Reporting Period;
 4. The Trust shall be liable to pay, subject to the Limit of Liability stated above, only for Claims or losses in excess of any deductible shown in the Declarations with respect to each and every Claim or loss hereunder, and such Deductible Amount shall not be covered;
 5. Claims or losses based on or arising out of the same acts, errors or omissions or inter-related acts, errors or omissions of one or more persons that constitute Member shall be considered a single Claim or loss and only one Deductible Amount shall be applicable to such single Claim or loss;
 6. The limit of the Trust's Employee Benefits Liability is \$1,000,000 for each Wrongful Act, subject to an Annual Aggregate Limit of Liability of \$1,000,000;
 7. Section V.A (Coordination of Limits; Required Coverage) found in Part I, General Liability, is incorporated herein by reference.
- B. **DEDUCTIBLE.**
1. The Deductible Amount shown in the Declarations shall be paid by Member and shall apply separately to each Claim or loss (*see* Section II.A.5 of this Part III above). The Deductible Amount applies to the combined total Damages and Claims Expenses relating to such Claim or loss, whether or not payment for Damages is made. Upon written demand by the Trust, the Deductible Amount will be paid by Member within thirty (30) days. The Deductible Amount shall apply whether the payment is made in satisfaction of a judgment or pursuant to the terms of an agreed settlement of a Claim on

behalf of any one person or organization. The Trust, in its discretion, may pay part or all of the Deductible Amount on behalf of Member to effect settlement of any Claim.

2. If a loss is covered by General Liability Coverage Part I and Public Officials Liability Coverage Part III, the Deductible Amount set forth in Coverage Part III shall apply.

- C. RETROACTIVE DATE. The Retroactive Date applicable to this coverage is shown in the Public Officials Legal Liability portion of the Declarations.

SECTION III - EXCLUSIONS

The exclusions found in Part I, General Liability, are incorporated herein by reference. If any inconsistencies appear, the exclusions found in this Coverage Part III govern.

The Trust shall not be obligated to make any payment or defend any Claim made against Member:

- A. Based upon or attributed to its gaining in fact any money, profit, advantage or remuneration to which it was not legally entitled; provided, however, the Trust will defend Member in Lawsuits containing those allegations.
- B. Which is covered by other coverage or which shall be deemed uninsurable under the law.
- C. For strikes, riots, or civil commotion except for administrative decisions directed toward the prevention and control of crime.
- D. Based upon or attributable to the rendering of or failure to render any opinion, treatment, consultation or service if such opinion, treatment, consultation or service was rendered or was not rendered while such Member was engaged in any activity for which Member received compensation from any source other than Member named in the Declarations, and/or was gratuitously engaged other than by specific direction of Member named in the Declarations.
- E. For which Member is entitled to indemnity and/or payment by reason of having given notice of any Prior Acts which might give rise to a Claim under any Scope of Coverage or policies the term of which has expired prior to the Coverage Period.
- F. For Claims, demands or actions seeking relief or redress in any form other than money Damages, or for any fees, costs or expenses which Member may become obligated to pay as a result of an adverse judgment for declaratory, injunctive or other equitable relief; provided, however, the Trust will defend Lawsuits involving such Claims, demands or actions where money Damages are requested (and in the case of Lawsuits arising out of detention facilities, where money Damages are not requested) unless coverage is otherwise excluded under this Scope of Coverage; and further provided, for the purpose of this exclusion, a Claim for attorneys' fees shall not be construed as a Claim for money Damages.

Except as otherwise provided in this Exclusion F, the Trust will not defend a Claim made against Member in a Lawsuit unless the plaintiff, in the complaint, specifically and expressly requests the court to award money Damages for the purpose of compensating the plaintiff for injury sustained as a result of the Wrongful Act.

- G. In no event will the Trust make restitution payments on behalf of Member.

- H. Arising from the violation of any statute, ordinance or regulation, which is known or should have been known to be a violation, committed by or with the knowledge or consent of Member; however, the Trust will defend Member in Lawsuits containing these allegations.
- I. Based upon or arising out of any liability of Member as a fiduciary under any Employee Benefits Programs.
- J. By any federal, State or local government entity, including, without limitation, a government entity within the definition of Member, or by any person within the definition of Member.

This Exclusion J does not apply to:

- 1. Excuse the Trust from defending a Claim alleging the violation of an employment law (*i.e.*, a law governing the employer/employee relationship); or
- 2. A Claim by a federal, State or local government entity for contribution or indemnification relating to a claim brought by a third party.
- K. For breach of contract. However, the Trust will provide a defense to such Claim where such Claim is brought in conjunction with a claim for Wrongful Acts arising out of the Employment relationship between Member and Member's Employees for as long as Member Employee's claim for wrongful acts remains viable.
- L. For back pay, including (without limitation) back wages, overtime or similar compensation; however, the Trust will provide a defense to such claims where they are brought in conjunction with a claim for Wrongful Acts arising out of the Employment relationship between Member and Member's Employees.
- M. For the taking of private property for public use without just compensation, to the extent Member has obtained property rights or received value as a result of the taking; provided, however, the Trust will defend Member in Lawsuits alleging a taking.
- N. Based upon or arising out of any debt financing, including but not limited to bonds, notes, debentures and guarantees of debt.

SECTION IV - DEFINITIONS

The definitions found in the General Liability Coverage Part I are incorporated herein by reference. If any inconsistencies appear, the definitions found in this Coverage Part III govern.

- Administration means:
 - a. Giving counsel with respect to the Employee Benefits Programs;
 - b. Interpreting the Employee Benefits Programs;
 - c. Handling records in connection with the Employee Benefits Programs;
 - d. Effecting enrollment or cancellation of employees under the Employee Benefits Programs.
- Attorneys' Fee Award means amounts awarded by a court to a plaintiff or claimant in a federal or State civil rights action to reimburse the plaintiff or claimant for its attorneys' fees and expenses.
- Damages means pecuniary damages as a result of a Claim. The term "Damages" does not include (without limitation) (i) civil, criminal or administrative fines, (ii) exemplary or punitive damages, (iii) statutory or regulatory penalties, (iv) restitution payments, costs or fees associated with declaratory, injunctive or other equitable relief (v) attorneys' fees, or (vi) Claims Expenses.
- Employee Benefits Programs means employee benefit plans, including, without limitation, group life insurance plans, group accident or health insurance plans, profit sharing plans, pension plans, flexible spending accounts, employee stock subscription plans, workers' compensation, unemployment insurance, social security and disability benefits.
- Prior Act means a Wrongful Act taking place prior to the Coverage Period.

SECTION V - CONDITIONS

The conditions found in Part I, General Liability, Section V, Conditions, are incorporated herein by reference.

Section V.A. found in Part II, Law Enforcement Legal Liability (Wrongful Acts), is also incorporated herein by reference.

LOCAL GOVERNMENT INSURANCE TRUST
SCOPE OF COVERAGE
PRIMARY LIABILITY PROGRAM

COVERAGE PART IV
AUTOMOBILE LIABILITY
and
PHYSICAL DAMAGE

COVERAGE PART IV - AUTOMOBILE COVERAGE FORM

In consideration of the payment of the premium, the undertaking of Member to pay the deductible in the amount stated in the Declarations, and subject to all the terms, limitations and conditions of this Scope of Coverage, the Trust and Member agree as follows:

AUTO COVERAGE FORM

Various provisions in this Coverage Part IV – Automobile Coverage Form (“Coverage Form”) restrict coverage. Read the entire Coverage Form and the Declarations carefully to determine rights, duties and what is and is not covered.

SECTION I - COVERED AUTOS

The Automobile Class “CODE” in the Declarations shows the Autos that are covered Autos for each of the Trust’s coverages under this Coverage Form. The following numerical symbols, which are entered next to a coverage on the Declarations, designate the only Autos that are covered Autos.

A. DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS

| SYMBOL | DESCRIPTION |
|--------|-------------|
|--------|-------------|

- | | |
|-----|---|
| 1 = | ANY AUTO |
| 2 = | OWNED AUTOS ONLY. Only those Autos Member owns (and for Liability Coverage, any trailers Member does not own while attached to power units Member owns). This includes those Autos Member acquires ownership of after the coverage begins. |
| 3 = | OWNED PRIVATE PASSENGER AUTOS ONLY. Only the private passenger Autos Member owns. This includes those private passenger Autos Member acquires ownership of after the coverage begins. |
| 4 = | OWNED AUTOS OTHER THAN PRIVATE PASSENGER AUTOS ONLY. Only those Autos Member owns that are not of the private passenger type (and for Liability Coverage, any trailers Member does not own while attached to power units Member owns). This includes those Autos not of the private passenger type Member acquires ownership of after the coverage begins. |
| 5 = | OWNED AUTOS SUBJECT TO NO-FAULT. Only those Autos Member owns that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those Autos Member acquires ownership of after the coverage begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged. |

- 6 = OWNED AUTOS SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. Only those Autos Member owns that, because of the law in the state where they are licensed or principally garaged, are required to have and cannot reject uninsured motorists coverage. This includes those Autos Member acquires ownership of after the Scope of Coverage begins, provided they are subject to the same state uninsured motorists requirement.
- 7 = SPECIFICALLY DESCRIBED AUTOS. Only those Autos described in this SECTION I of the Declarations for which a premium charge is shown (and, for Liability Coverage, any trailers Member does not own while attached to any power unit described in this SECTION I).
- 8 = HIRED AUTOS ONLY. Only those Autos Member leases, hires, rents or borrows. This does not include any Auto Member leases, hires, rents, or borrows from any of Member's Employees or partners or members of their households.
- 9 = NON-OWNED AUTOS ONLY. Only those Autos Member does not own, lease, hire, rent or borrow that are used in connection with Member's business. This includes Autos owned by Member's Employees or partners or members of their households but only while used in Member's business.
- 10 = AUTOS LEFT WITH MEMBER FOR SERVICE, PARKING, REPAIR, STORAGE, OR SAFEKEEPING. Any Auto not owned by Member or any of Member's Employees while left with Member's garage operations for parking, service, repair, storage, or safekeeping.

B. OWNED AUTOS MEMBER ACQUIRES AFTER THE COVERAGE BEGINS

- 1. If symbols 1, 2, 3, 4, 5 or 6 are entered next to a coverage in the Declarations, then Member has coverage for Autos that Member acquires of the type described for the remainder of the Coverage Period.
- 2. But, if symbol 7 is entered next to a coverage in the Declarations, an Auto Member acquires will be a covered Auto for that coverage only if the Trust already covers all Autos that Member owns for that coverage or it replaces an Auto Member previously owned that had that coverage.

C. CERTAIN TRAILERS, MOBILE EQUIPMENT AND TEMPORARY SUBSTITUTE AUTOS

If Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered Autos for Liability Coverage:

- 1. Trailers with a load capacity of 2,000 pounds or less designed primarily for travel on public roads;
- 2. Mobile Equipment transported by a covered Auto;

3. Any Auto Member does not own while used with the permission of its owner as a temporary substitute for a covered Auto Member owns that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. Loss; or
 - e. Destruction.

SECTION II - LIABILITY COVERAGE

A. COVERAGE

The Trust will pay all sums Member legally must pay as Damages because of Bodily Injury or Property Damage to which this coverage applies, caused by an Accident and resulting from the ownership, maintenance or use of a covered Auto.

The Trust has the right and duty to defend any Lawsuit seeking these Damages. However, the Trust has no duty to defend Lawsuits for Bodily Injury or Property Damage not covered by this Coverage Form. The Trust may investigate and settle any Claim or Lawsuit as the Trust considers appropriate. The Trust's duty to defend or settle ends when the Limit of Liability has been exhausted by payment of judgments or settlements.

1. WHAT CONSTITUTES "OWNERSHIP, MAINTENANCE OR USE" BY MEMBER

With respect to the coverage provided by this Coverage Form, the following constitutes "resulting from the ownership, maintenance or use of a covered Auto" for purposes of Section II.A above:

- a. Subject to Subparagraph c. below, any authorized operation of an Auto for which Member has reported to the Trust and the Department of Motor Vehicles, or equivalent authority, that Member, through the Trust, is responsible for providing the required coverage pursuant to the Insurance Article of the Annotated Code of Maryland;
- b. The authorized use of any Auto owned, hired or borrowed by Member by an Employee or any elected or appointed official or representative of Member;
- c. Anyone else while using, with Member's permission, a covered Auto Member owns, hires or borrows except:
 - (1) The owner or anyone else from whom Member hires or borrows an Auto. This exception does not apply if the Auto is a trailer connected to an Auto Member owns. This exception also does not apply if that person is working within Member's scope of employment or under Member's direction and control; however, in that circumstance this coverage would be excess over any other applicable coverage;
 - (2) Someone using an Auto while he or she is working in a business of selling, servicing, repairing or parking Autos unless that business is Member's;
 - (3) Anyone other than Member's Employees, authorized Volunteers, or members of Member's boards and

commissions, a lessee or borrower or any of their Employees while moving property to or from an Auto;

- (4) A sheriff or deputy sheriff, except to the extent of Member's legal and financial responsibility for the conduct of the sheriff or deputy sheriff;
- c. Anyone liable for the conduct of Member described above but only to the extent of that liability;
- d. Employees and Volunteers while using their owned, hired or borrowed Autos on behalf and in furtherance of Member's business, provided, that coverage hereunder shall be considered only in excess of any other liability coverage available to such Employee or Volunteer.

2. COVERAGE EXTENSIONS

- a. Supplementary Payments. The Trust will pay, with respect to any Claim or Lawsuit the Trust defends:
 - (1) All expenses the Trust incurs (excluding salaries of Employees of Member) in investigating and defending any Claim or Lawsuit under this Scope of Coverage;
 - (2) Up to \$2,000 for cost of bail bonds required because of traffic Accidents or traffic law violations arising out of the use of any vehicle to which the Auto Liability and Physical Damage Scope of Coverage applies. The Trust is not required to furnish these bonds;
 - (3) The cost of appeal bonds and bonds to release attachments, but only for bond amounts within the applicable Limit of Liability. The Trust is not required to furnish these bonds;
 - (4) Subject to prior approval of the Trust, all reasonable expenses incurred by Member who, at the Trust's request, assists the Trust in the investigation or defense of the Claim or Lawsuit, including actual loss of earnings up to \$250 per day per person because of time off from work and reasonable expenses;
 - (5) All costs and disbursements, not to exceed \$50,000, taxed by the court against Member in the Lawsuit and included in a judgment [excluding any sanction imposed by a court pursuant to Federal Rule of Civil Procedure 11 (2004) or Maryland Rule 2-341(2004)];

- (6) Pre-judgment interest awarded against Member on that part of the judgment the Trust pays. If the Trust makes an offer to pay the applicable Limit of Liability, the Trust will not pay any pre-judgment interest based on that period of time after the offer; and
- (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before the Trust has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Liability.

These payments will not reduce the Limit of Liability.

- b. Supplementary Payments – Indemnatee. If the Trust defends a Member against a Claim or Lawsuit and an indemnitee of the Member is also named as a party to the Claim or Lawsuit, the Trust will defend that indemnitee if all of the following conditions are met:
 - (1) The Claim or Lawsuit against the indemnitee seeks damages for which the Member has assumed the liability of the indemnitee in a Member Contract;
 - (2) This Scope of Coverage applies to such liability assumed by Member;
 - (3) The obligation to defend, or the cost of the defense of, that indemnitee has also been assumed by Member in the same Member Contract;
 - (4) The allegations in the Claim or Lawsuit and the information known about the event(s) giving rise to the Claim or Lawsuit are such that no conflict appears to exist between the interests of the Member and the interests of the indemnitee;
 - (5) The Trust is requested by the indemnitee and Member to conduct and control the defense of that indemnitee against such Claim or Lawsuit and agree that the Trust may assign the same legal counsel to defend the Member and the indemnitee; and
 - (6) The indemnitee:
 - i. Agrees in writing to:
 - (a) Cooperate with the Trust in the investigation, settlement or defense of the Claim or Lawsuit;

- (b) Promptly sends the Trust copies of any demands, notices, summonses or legal papers received in connection with the Claim or Lawsuit;
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with the Trust with respect to coordinating other applicable insurance available to the indemnitee; and
- ii. Provides the Trust with written authorization to:
- (a) Obtain records and other information related to the Claim or Lawsuit; and
 - (b) Conduct and control the defense of the indemnitee in such Claim or Lawsuit.

So long as the above conditions are met, attorneys fees incurred by the Trust in the defense of the indemnitee, necessary litigation expenses incurred by the Trust and necessary litigation expenses incurred by the indemnitee at the Trust's request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph A. of Section II - COVERAGE, such payments will not be deemed to be damages for Bodily Injury and Property Damage and will not reduce the Limit of Liability.

- (7) The Trust's right and duty to defend a Member's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:
- i. The Trust has met the applicable Limit of Liability in the payment of judgments or settlements; or
 - ii. The conditions set forth above, or the terms of the agreement described in paragraph 6.i. above, are no longer met.

c. Out-of-State Coverage Extensions.

While a covered Auto is away from the state where it is licensed the Trust will:

- (1) Increase the Limit of Liability for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered Auto is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property;
- (2) Provide the minimum amounts and types of other coverage, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered Auto is being used.

The Trust will not pay anyone more than once for the same elements of Loss because of these extensions.

B. EXCLUSIONS

This coverage does not apply to any of the following:

1. EXPECTED OR INTENDED INJURY

Bodily Injury or Property Damage expected or intended from the standpoint of Member. This exclusion does not apply to Bodily Injury or Property Damage due to Law Enforcement Activities or any other governmental action directed toward the prevention or control of crime.

2. CONTRACTUAL

Bodily Injury or Property Damage for which Member is obligated to pay Damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for Damages:

- a. Assumed in a contract or agreement that is a Member Contract; or
- b. Imposed on Member as Tort Liability.

3. WORKERS' COMPENSATION

Any obligation for which Member or Member's insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. EMPLOYEE INDEMNIFICATION AND EMPLOYER'S LIABILITY

Bodily Injury to:

- a. An Employee of Member arising out of and in the course of employment by Member; or

- b. The spouse, child, parent, brother or sister of that Employee as a consequence of paragraph a. above.

This exclusion applies:

- (1) Whether Member may be liable as an employer or in any other capacity; and
- (2) To any obligation to share Damages with or repay someone else who must pay Damages because of the injury.

This Exclusion 4 does not apply to liability assumed by Member under a Member Contract.

This Exclusion 4 does not apply for coverage up to the minimum limit specified by the Maryland Vehicle Law.

5. CARE, CUSTODY OR CONTROL

Property Damage to property owned or transported by Member or in Member's care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement. This exclusion also does not apply to impounded vehicles; however, this impounded vehicle exemption will not apply to impoundments arising out of a violation of any statute, ordinance or regulation and this exemption for impounded vehicles is limited to the interests of Member and does not extend to Private Contractors who may be providing services to Member.

6. HANDLING OF PROPERTY

Bodily Injury or Property Damage resulting from the handling of property.

- a. Before it is moved from the place where it is accepted by Member for movement into or onto the covered Auto; or
- b. After it is moved from the covered Auto to the place where it is finally delivered by Member.

7. MOVEMENT OF PROPERTY BY MECHANICAL DEVICE

Bodily Injury or Property Damage resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered Auto.

8. OPERATIONS

Bodily Injury or Property Damage arising out of the operation of Mobile Equipment.

9. POLLUTION

a. Bodily Injury or Property Damage arising out of the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants:

(1) That are, or that are contained in any property that is:

- i. Being transported or towed by, or handled for movement into, onto or from, the covered Auto;
- ii. Otherwise in the course of transit by Member; or
- iii. Being stored, disposed of, treated or processed in or upon the covered Auto;

(2) Before the Pollutants or any property in which the Pollutants are contained are moved from the place where they are accepted by Member for movement into or onto the covered Auto; or

(3) After the Pollutants or any property in which the Pollutants are contained are moved from the covered Auto to the place where they are finally delivered, disposed of or abandoned by Member.

b. Any Loss, cost or expense arising out of any governmental direction or request that Member tests for, monitors, cleans up, removes, contains, treats, detoxifies or neutralizes Pollutants arising from Member's ownership or use of covered Autos.

Subparagraph 9.a.(1)iii does not apply to fuels, lubricants, fluids, exhaust gases or other similar Pollutants that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered Auto or its parts, if the Pollutants escape or are discharged, dispersed or released directly from an Auto part designed by its manufacturer to hold, store, receive or dispose of such Pollutants.

Subparagraphs 9.a.(2) and 9.a.(3) of this exclusion do not apply if:

- (1) The Pollutants or any property in which the Pollutants are contained are upset, overturned or damaged as a result of the maintenance or use of a covered Auto; and
- (2) The discharge, dispersal, release or escape of the Pollutants is caused directly by such upset, overturn or damage.

10. WAR OR MILITARY ACTION

Bodily Injury or Property Damage due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

C. LIMIT OF LIABILITY

1. Regardless of the number of covered Autos, number of persons constituting Member, premiums paid, claims made or vehicles involved in the Accident, the most the Trust will pay for all Damages resulting from any one Accident is \$1,000,000 per Accident, which is the Limit of Liability for the Liability Coverage provided under Section II of this Coverage Form, as shown in the Declarations.
2. Subject to the each Accident Limit for Liability (1 above), \$20,000 is the most the Trust will pay for Bodily Injury for any one person, \$40,000 is the most the Trust will pay for Bodily Injury for any two or more persons and \$15,000 is the most the Trust will pay for Property Damage, in addition to interest and costs,
 - a. for the liability of the owner or lessee of a covered Auto arising from an Accident caused by the negligent use of a motor vehicle while in government service or performing a task of benefit to the government;
 - b. for the liability of an official of a municipal corporation or special taxing district arising from the operation of a covered Auto; or
 - c. for the liability of an owner or lessee of an emergency vehicle (as defined in Section 5-639 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland) for any damages caused by a negligent act or omission of an authorized operator while operating the emergency vehicle in the performance of emergency service (as defined in Section 5-639 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland).
3. All Bodily Injury and Property Damage resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one Accident.
4. With respect to a Member other than Member's Employees, authorized Volunteers, or members of Member's boards and commissions, the liability of the Trust shall not exceed \$200,000 per an individual Claim and \$500,000 per total Claims that arise from the same Occurrence.

SECTION III - PHYSICAL DAMAGE COVERAGE

A. COVERAGE

1. The Trust will pay for Loss to a covered Auto described in Schedule A attached to the Scope of Coverage or its permanently installed equipment under:

- a. Comprehensive Coverage. From any cause except:

- (1) The covered Auto's collision with another object; or
- (2) The covered Auto's overturn.

If Member carries Comprehensive Coverage for the damaged covered Auto, the Trust will pay for the following under Comprehensive Coverage:

- (1) Glass breakage;
- (2) Loss caused by hitting a bird or animal; and
- (3) Loss caused by falling objects or missiles.

However, Member has the option of having glass breakage caused by a covered Auto's collision or overturn considered a Loss under Collision Coverage.

- b. Collision Coverage. Caused by:

- (1) The covered Auto's collision with another object; or
- (2) The covered Auto's overturn.

2. Coverage Extension.

- a. Transportation Expense Coverage for Scheduled Vehicles. The Trust will pay up to \$30 per day to a maximum of 15 days for transportation expense incurred by Member because of the total theft of, or Physical Damage to, a covered Auto of the private passenger type, provided the Auto is inoperable or otherwise unavailable for use by Member. The Trust will pay only for those covered Autos for which Member carries Physical Damage Coverage. The Trust will pay for transportation expenses incurred during the period beginning immediately after the theft or Physical Damage and ending, regardless of the expiration date of the coverage but in all events subject to the maximum limit of 15 days, when the covered Auto is returned to use or the Trust pays for its Loss.

- b. Towing and Labor Coverage for Scheduled Vehicles. The Trust will pay up to \$50 for towing and labor expense incurred by Member because of the disablement by mechanical breakdown of a covered Auto, provided the towing service is provided by a Private Contractor. The Deductible Amount shown in the Declarations for Auto Physical Damage does not apply to this coverage extension.
 - c. Loss of Use for Heavy Trucks and Equipment. The Trust will pay up to \$500 per day to a maximum of \$7,500 for expenses incurred by Member to provide a temporary replacement or substitute vehicle for a covered Auto specified in the Auto Schedule as a result of the theft of or Physical Damage to the covered Auto, provided the covered Auto Physical Damage is due to a covered peril and is inoperable or otherwise unavailable for use by Member. The Trust will pay only for those covered Autos which are specified in the Auto Schedule and built to specification for heavy duty jobs (e.g., garbage trucks, dump trucks, fire trucks, street sweepers, snow plows, emergency vehicles and similar heavy trucks and vehicles) and for which Member carries Physical Damage Coverage. This coverage does not extend to Mobile Equipment. The Trust will pay for necessary and reasonable temporary expenses incurred during the period beginning 24 hours after the theft or Physical Damage and ending, regardless of the expiration date of the coverage, but in all events subject to the maximum limit of \$7,500, when the covered Auto is returned to use or the Trust pays for its Loss.
- 3. Newly Acquired Autos. The Trust will cover newly acquired Autos not included in Schedule A for a period of sixty days following the date of acquisition or until added to Schedule A (whichever occurs first). If newly acquired Autos are to be covered under this Scope of Coverage, additional premium will be payable from the date of acquisition.
 - 4. Unscheduled Autos. For Members who schedule all of their autos for both Comprehensive and Collision perils, the Trust will cover inadvertently and unintended unscheduled Autos not included on Schedule A, subject to the lesser of the Limit of Liability for Physical Damage Coverage or a limit of \$20,000 per Accident.

B. EXCLUSIONS

- 1. The Trust will not pay for Loss caused by or resulting from any of the following. Such Loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the Loss.
 - a. Any Loss caused by or attributable to radiation. For purposes of this exclusion, "radiation" includes, but is not limited to:
 - (1) Ionizing radiation, including gamma rays, X-rays, alpha particles, beta particles, neutrons, high speed electrons, high

speed protons, and any other atomic or nuclear particles or rays;

- (2) Any electromagnetic radiation that can be generated during the operation of a manufactured device that has an electronic circuit; or
- (3) Any sonic, ultrasonic, or infrasonic waves that are emitted as a result of the operation, in a manufactured device, of an electronic circuit that can generate a physical field of radiation.

- b. War or Military Action. Bodily Injury or Property Damage due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

2. Other Exclusions.

- a. The Trust will not pay for Loss to any of the following:

- (1) Tape decks or other sound reproducing equipment unless permanently installed in a covered Auto;
- (2) Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment unless this equipment is authorized for law enforcement or emergency vehicles;
- (3) Sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless it is Member's installed or authorized equipment for that vehicle;
- (4) Any other audio, visual or data electronic equipment, unless it is Member's installed and authorized equipment for that vehicle.

- b. The Trust will not pay for Loss caused by or resulting from any of the following unless caused by other Loss that is covered by this coverage:

- (1) Wear and tear, freezing, mechanical or electrical breakdown;
- (2) Blowouts, punctures or other road damage to tires.

C. LIMIT OF LIABILITY

1. The most the Trust will pay for Loss in any one Accident is the lesser of:
 - a. The actual cash value of the damaged or stolen property as of the time of the Loss; or
 - b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
2. The most the Trust will pay for Loss in any one Accident is the Stated Value, if endorsement applies.

D. DEDUCTIBLE

1. For each covered Auto, the Trust's obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations.
2. Any Comprehensive Coverage deductible shown in the Declarations does not apply to Loss caused by fire or lightning.
3. Any Physical Damage Coverage deductible shown in the Declarations does not apply to Loss due to glass breakage if, at the mutual agreement of the Member and the Trust, the glass is repaired rather than replaced.

SECTION IV - AUTO CONDITIONS

The following conditions apply:

A. LOSS CONDITIONS

1. APPRAISAL FOR PHYSICAL DAMAGE LOSS

If Member and the Trust disagree on the amount of Loss, either may demand an appraisal of the Loss. In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of Loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If the Trust submits to an appraisal, the Trust will still retain the Trust's right to deny the Claim.

2. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, LAWSUIT OR LOSS

- a. In the event of Accident, Claim, Lawsuit or Loss, Member must give the Trust or the Trust's authorized representative prompt notice of the Accident or Loss, including:
 - (1) How, when and where the Accident or Loss occurred;
 - (2) The name and address of the operator of Member's covered Auto and the name and address of any passengers in Member's covered Auto; and
 - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, all persons constituting Member must:
 - (1) Assume no obligation, make no payment or incur no expense without the Trust's consent, except at Member's own cost;
 - (2) Immediately send the Trust copies of any demand, notice, summons or legal paper received concerning the Claim or Lawsuit;
 - (3) Cooperate with the Trust in the investigation, settlement or defense of the Claim or Lawsuit;

- (4) Authorize the Trust to obtain medical records or other pertinent information;
- (5) Submit to examination, at the Trust's expense, by physicians of the Trust's choice, as often as the Trust reasonably requires;
- c. If there is Loss to a covered Auto or its equipment, Member must also do the following:
 - (1) Promptly notify the police if the covered Auto or any of its equipment is stolen;
 - (2) Take all reasonable steps to protect the covered Auto from further damage. Also keep a record of Member's expenses for consideration in the settlement of the Claim;
 - (3) Permit the Trust to inspect the covered Auto and records proving the Loss before its repair or disposition;
 - (4) Agree to examinations under oath at the Trust's request and give the Trust a signed statement of Member's answers.

3. LEGAL ACTION AGAINST THE TRUST

No one may bring a legal action against the Trust under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Section II - Liability Coverage of this Coverage Form, the Trust agrees in writing that Member has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this Scope of Coverage to bring the Trust into an action to determine Member's liability.

4. LOSS PAYMENT - PHYSICAL DAMAGE COVERAGES

At the Trust's option the Trust may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at the Trust's expense. The Trust will pay for any damage that results to the Auto from the theft;
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value; or

- d. The Trust's obligations are to Member and payments made for Losses under the Physical Damage coverage section will be made to Member. The Trust does not undertake to guarantee any leasehold or mortgagee interest and provides certificates of coverage as evidence of coverage only.

5. TRANSFER TO THE TRUST OF RIGHTS OF RECOVERY AGAINST OTHERS

If any person or organization to or for whom the Trust makes payment under this Coverage Form has rights to recover Damages from another, those rights are transferred to the Trust. That person or organization must do everything necessary to secure the Trust's rights and must do nothing after Accident or Loss to impair them.

B. GENERAL CONDITIONS

1. DEFENSE, SETTLEMENT AND APPEAL

The following provisions shall apply to the defense, settlement and appeal of all Claims for which coverage is afforded by this Scope of Coverage:

- a. The Trust shall defend any Lawsuit made against Member for which coverage is afforded by this Scope of Coverage, even if the allegations of the Lawsuit are groundless, false or fraudulent. The Trust may make such investigation of any Claim or Lawsuit as it deems necessary or appropriate. The Trust shall not be obligated to pay any Damages or Claims Expenses or to defend any Lawsuit after the applicable limit of the Trust's liability under this Scope of Coverage has been exhausted by payment of any settlement, Damages or Claims Expenses.
- b. The Trust shall have the right, at its sole discretion, to select and appoint counsel to defend Member and to settle any Claim or Lawsuit. Member shall remain fully liable for and shall pay the Deductible Amount stated in the Declarations.
- c. The determination of the Trust as to the reasonableness of Claims Expenses shall be conclusive upon Member.
- d. Member shall not make any payment, admit any liability, settle any Claim or Lawsuit, assume any obligation or incur any expense with respect to a Claim or Lawsuit without the written consent of the Trust.

- e. (1) In the event a verdict is rendered, a judgment is entered, or an award is made against Member, the taking of an appeal shall be at the sole discretion of the Trust. Prior to making a decision whether or not to appeal, the Trust shall consult with Member with respect to such decision, provided, however, that Member's disagreement with the Trust shall not affect the Trust's right to make a decision with respect to appeal contrary to the wishes of Member.
- (2) In the event that a verdict, judgment or award against Member is appealed by Member without the consent of the Trust, the Trust shall not be liable for any costs of the appeal, including (without limitation) attorneys' fees, appeal bonds or post-judgment interest accruing during the course of such appeal.
- (3) In the event that an appeal taken by Member without the consent of the Trust results in a final verdict, judgment or award against Member in an amount less than the verdict, judgment or award appealed from and thereby results in an actual reduction in the amount which the Trust is required to pay under this Scope of Coverage, the Trust will reimburse Member the costs of the appeal (including the premium for any appeal bond and reasonable attorneys' fees) in an amount not exceeding the lesser of: (1) the actual costs of the appeal; or (2) the reduction in the amount for which the Trust would have been liable had Member not appealed.
- (4) In the event that an appeal taken by Member without the consent of the Trust results in a final verdict, judgment or award against Member in an amount greater than that of the verdict, judgment or award from which the appeal was taken, the liability of the Trust for such verdict, judgment or award shall not exceed the amount of Trust's liability for the verdict, judgment or award from which the appeal was taken and Claims Expenses incurred up to the date of such verdict, judgment or award.
- f. (1) Notwithstanding anything to the contrary in this Scope of Coverage, the Trust shall not be obligated to pay Claims Expenses for the defense, settlement or appeal of any part of a Claim or Lawsuit that seeks non-pecuniary relief or punitive damages, alleges intentional, knowing, willful, wanton, deliberate or reckless violation of any statute, regulation, ordinance, notice of violation, notice letter or demand of any government agency, or any administrative, executive or judicial order, or that alleges any fraudulent, willful and wanton, reckless or malicious act or omission committed by,

at the direction of, or with the knowledge of Member, whether or not acting within the course and scope of employment or duties with, or on behalf of, Member. The Trust also shall not be obligated to pay Claims Expenses for the defense, settlement or appeal of government (state, federal or local) regulatory compliance orders or actions, government fines, licensing actions, or for the loss of revenue from these actions or taxpayer suits as the result of these actions.

- (2) In the event of a Lawsuit making allegations both within and without coverage under this Scope of Coverage, the Trust is obligated to defend against only those allegations falling actually or potentially within coverage, and may apportion Claims Expenses incurred in defending Member in accordance with subparagraph f(1), above. In any event, the Trust shall be responsible only for Claims Expenses reasonably related to allegations seeking Damages to which this Scope of Coverage applies.

2. BANKRUPTCY

Bankruptcy or insolvency of Member or Member's estate will not relieve the Trust of any obligations under this Coverage Form.

3. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Form is void in any case of fraud by Member at any time as it relates to this Coverage Form. It is also void if Member or any other Member, at any time, intentionally conceals or misrepresents a material fact concerning:

- a. This Coverage Form;
- b. The covered Auto;
- c. Member's interest in the covered Auto; or
- d. A Claim under this Coverage Form.

4. LIBERALIZATION

If the Trust revises this Coverage Form to provide more coverage without additional premium charge, Member will automatically be provided the additional coverage as of the date the revision is effective.

5. NO BENEFIT TO BAILEE - PHYSICAL DAMAGE COVERAGES

The Trust will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

6. OTHER COVERAGE

- a. For any covered Auto Member owns, this Coverage Form provides primary coverage. For any covered Auto Member does not own, the coverage provided by this Coverage Form is excess over any other coverage. However, while a covered Auto which is a trailer is connected to another vehicle, the Liability Coverage that this Coverage Form provides for the trailer is:
 - (1) Excess while the trailer is connected to a motor vehicle Member does not own;
 - (2) Primary while it is connected to a covered Auto Member owns.
- b. Regardless of the provisions of paragraph a. above, the coverage that this Coverage Part provides is primary for any liability assumed under a Member Contract.
- c. When this Coverage Form and any other Coverage Form or Scope of Coverage covers on the same basis, either excess or primary, the Trust pays only the Trust's share. The Trust's share is the proportion that the Limit of Liability of the Trust's Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

7. PREMIUM AUDIT

- a. The estimated premium for this Coverage Form is based on the exposures Member told the Trust Member would have when this Scope of Coverage began. Additional premiums may be assessed by the Trust according to the Trust Agreement and Bylaws upon completion of a certified actuarial study of Loss experience and exposure base and approval of the Board of Trustees.
- b. If this Scope of Coverage is issued for more than one year, the premium for this Coverage Form will be computed annually based on the Trust's rates or premiums in effect at the beginning of each year of the Scope of Coverage.

8. COVERAGE PERIOD, COVERAGE TERRITORY

Under this Coverage Form, the Trust covers Accidents and Losses occurring:

- a. During the Coverage Period shown in the Declarations; and

- b. Within the Coverage Territory.

9. TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY THE TRUST

If this Coverage Form and any other Coverage Form or Scope of Coverage issued to Member by the Trust apply to the same Accident, the aggregate maximum Limit of Liability under all the Coverage Forms or Scopes of Coverage shall not exceed the highest applicable Limit of Liability under any one Coverage Form or Scope of Coverage. This condition does not apply to any Coverage Form or Scope of Coverage issued by the Trust or any company specifically to apply as excess coverage over this Coverage Form.

10. REPRESENTATIONS

By accepting this Scope of Coverage, Member agrees:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations Member made to the Trust; and
- c. The Trust has issued this Scope of Coverage in reliance upon Member's representations.

11. SEPARATION OF MEMBERS

Except with respect to the Limit of Liability, and any rights or duties specifically assigned in this Coverage Form to Member, this coverage applies:

- a. As if each Member were the only Member; and
- b. Separately to each Member against whom Claim is made or Lawsuit is brought.

12. CANCELLATION

- a. Cancellation of this Scope of Coverage, in part or in total is governed by the terms and conditions of the Trust Agreement and Bylaws.
- b. If the Trust decides to make a material change in the Scope of Coverage during the term of the Coverage Period, the Trust will mail or deliver to the first Member shown in the Declarations written notice of the change. Disputes that may arise will be arbitrated by the Board of Trustees pursuant to the Trust Agreement and Bylaws and Underwriting Committee.

13. EXAMINATION OF MEMBER'S BOOKS AND RECORDS

The Trust may examine and audit Member's books and records as they relate to this Scope of Coverage at any time during the Coverage Period and up to three years afterward. Such examination can be made during normal business hours on seven (7) business days' oral or written notice.

14. INSPECTIONS AND SURVEYS

The Trust has the right, but is not obligated to, make underwriting inspections, risk assessments and Loss control surveys at any time, give Member reports on the conditions found by the Trust, and recommend changes in risk management procedures to Member. Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged. The Trust does not make safety inspections. The Trust does not undertake to perform the duty of any person to provide for the health or safety of workers or the public.

15. PREMIUMS

Member shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums the Trust pays.

16. DISPUTES, OTHER COVERAGE

The Trust Agreement, Bylaws, and this Scope of Coverage will determine the duties, liabilities, obligations, and responsibilities of both Member and the Trust. Because of the unique structure and relationship of the Trust to Member, disputes, if any, will be referred to the appropriate committee as determined by the Board of Trustees, with the final resolution by the Board of Trustees.

The Trust under this Scope of Coverage is providing primary liability coverage to Members. However, the coverage hereunder will be excess over any other primary liability coverage if the inception date of the other coverage is prior to the Coverage Period. In the situation where the pre-existing primary coverage has deductible or retention provisions, the Trust will not provide coverage until all Limits of Liability have been exhausted by the pre-existing primary coverage carrier.

17. ADDITIONAL INSURED

The term "Member" does not extend to an additional insured except as specifically authorized by the Board of Trustees. The owner of property in which Member has a leasehold interest will not be a Member or additional insured for the purposes of this Scope of Coverage. Member may not,

without the prior written authorization of the Board of Trustees, make any party with which it has a contractual obligation a Member or an additional insured hereunder. Member may request that this Scope of Coverage extend to a Public Entity (as defined in the Trust Agreement) other than Member provided that such other Public Entity:

- a. Is subject to the Local Government Tort Claims Act limitations on liability as set forth in Md. Cts. & Jud. Proc. Code Ann., §5-301, *et seq.*; or
- b. Is subject to the Maryland Tort Claims Act limitations on liability as set forth in Md. State Gov't Code Ann. §12-101, *et seq.*; or
- c. Is subject to the County Boards of Education limitations on liability as set forth in Md. Educ. Code Ann. §4-101, *et seq.*

With respect to a Member Contract, this Scope of Coverage will not automatically extend to another entity as an additional insured even if Member has assumed the Tort Liability of that other entity by contract or agreement.

18. SUBROGATION CLAUSE

If Member or any other entity to or for whom the Trust makes payment under this coverage has rights to recover damages from another, those rights are transferred to the Trust to the extent of the Trust's payment. Member or that other entity must do everything necessary to secure and preserve the Trust's rights and must do nothing to impair such rights. The proceeds of any recovery on any subrogation shall be used: first, to make Member whole with respect to any Damages that Member is legally obligated to pay by reimbursing Member and paying Member any deductible; second, to reimburse the Trust for any Damages and Claims Expenses incurred in resolving the Claim; and third, to reimburse any other insurer that made any payment with respect to the Claim.

19. ASSIGNMENT

Assignment of interest under this Coverage Form shall not bind the Trust until its consent is endorsed thereon.

20. DEFENSE OF UNCOVERED CLAIM

In the event of a Claim for which coverage is not afforded by this Scope of Coverage, the Trust shall have the right, but not the duty, to assume responsibility for the defense and control of the Claim under the provisions, terms and conditions of this Scope of Coverage. Any plea, compromise, settlement, consent judgment or consent order in connection with a Claim which any Member knows or reasonably expects may result in a Claim

covered by the Scope of Coverage shall be entered by Member only with the prior written consent of the Trust.

21. COMPLIANCE WITH POLICY AND TRUST AGREEMENT

Coverage shall not be provided under this Scope of Coverage unless, as a condition precedent thereto, Member shall have fully complied with all the provisions, terms and conditions of this Scope of Coverage, and Member shall have fully complied with the Trust Agreement. Member shall have the burden of establishing by a preponderance of the evidence any fact that is a predicate to coverage under this Scope of Coverage.

22. CHANGES

This Scope of Coverage contains all the agreements between Member and the Trust concerning the Coverage afforded. None of the terms of this Scope of Coverage shall be waived or changed except by written endorsement issued to form a part of this Scope of Coverage. Notice to any agent, or knowledge possessed by an agent or other person acting on behalf of the Trust, shall not effect a waiver or a change of any of the terms or conditions of this Scope of Coverage nor shall it estop or bar the Trust from asserting any right which it may have under the terms of this Scope of Coverage.

23. NOTICE

Any notice, request, demand, communication or other paper required to be given under this Coverage Form shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, return receipt requested, postage prepaid, or sent by telegram or facsimile or delivered by hand, with an executed receipt there for.

24. WAIVER

No delay or failure by the Trust to exercise any right or power granted to the Trust under this Scope of Coverage or to enforce any provision of this Scope of Coverage shall impair any such right or power or be construed as a waiver of such provision in the absence of an express writing to that effect signed by the Trust.

25. ENTIRE AGREEMENT

This Scope of Coverage contains the entire agreement between the parties hereto concerning the coverage afforded herein. Neither they nor any other person on whom this Scope of Coverage shall be binding shall be bound by terms, conditions, statements, warranties or representations, oral or written, not herein contained.

26. CAPTIONS, NUMBER AND GENDER

The captions in this Scope of Coverage are for the purpose of convenient reference and in no manner define, limit or prescribe the scope or intent of the Scope of Coverage or any part hereof. Where context requires, the plural shall include the singular, the masculine shall include the feminine, and vice versa.

27. NATURAL AND LEGAL RELATIONSHIPS

Where context requires, the terms child, parent, brother and sister include natural, legally adoptive, foster and step relationships.

28. CHOICE OF LAW

This Scope of Coverage shall be governed by and construed in accordance with the laws of the State of Maryland. All judicial actions, Claims, Lawsuits or proceedings brought by any person to enforce any rights hereunder shall be initiated and maintained only in the courts within the State of Maryland and not in the courts of any other jurisdiction.

SECTION V - AUTO DEFINITIONS

- Accident means a happening or event neither expected nor intended by or from the standpoint of Member.
- Auto means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. The term "Auto" does not include Mobile Equipment.
- Bodily Injury means physical injury which occurs to the body, sickness, disease, disability or death resulting from such physical injury, including pain and suffering directly relating thereto. The term "Bodily Injury" shall not include mental anguish or emotional distress sustained by any claimant at any time unless a physical injury sustained by such claimant is the proximate cause of such mental anguish or emotional distress.
- Claim means the direct or indirect assertion of any legal right alleging liability or responsibility on the part of Member arising out of an Accident and shall include (i) a Lawsuit or petition filed by a claimant or a representative of a claimant, (ii) a demand letter from a claimant or a representative of a claimant or (iii) any other written communication from a claimant or a representative of a claimant. The term "Claim" does not include any assertion of liability or responsibility by a government agency or body, including a administrative complaint, notice of violation, notice or demand letter, administrative or executive order, or directive of any government agency or body.
- Claims Expenses means expenses incurred by, or with the prior written consent of, the Trust for the investigation, settlement or defense of any Claim for which coverage is afforded under this Scope of Coverage, including:
 - a. Fees, costs and expenses charged by any lawyer, consultant or professional designated by the Trust;
 - b. Fees, costs and expenses resulting from technical investigation such as that performed by engineering firms and other outside service personnel designated by the Trust;
 - c. Premiums on defense and appeal bonds on judgments or obligations within the Limit of Liability. However, nothing in this definition will be construed as imposing any obligation on the Trust to pursue an appeal or to apply for or furnish such defense and appeal bonds; and
 - d. All other costs resulting from the investigation and adjustment of a Claim.
- Court Ordered Community Service Worker means any individual (i) ordered by a court to perform community service as a condition of probation, as a condition to a suspended sentence or in lieu of payment of any fines or court costs imposed or (ii) accused of criminal activity who volunteers to perform community service prior to or in anticipation of a court proceeding.
- Coverage Period means the Coverage Period stated in the Declarations.

- Coverage Territory means the United States of America, the territories and possessions of the United States of America, Puerto Rico and Canada.
- Damages means only compensatory damages for Bodily Injury or Property Damage and does not include (without limitation) fines, exemplary or punitive damages, statutory or regulatory penalties, criminal fines, penalties or restitutionary impositions, costs or fees associated with injunctive relief. The term "Damages" does not include Claims Expenses.
- Declarations means the section located at the beginning of this Scope of Coverage that sets forth the name, coverage, Limit of Liability, premiums and Scope of Coverage dates of Member.
- Deductible Amount means the amount set forth in the Declarations part of this Scope of Coverage which shall be paid by Member to the Trust upon demand and which shall apply both to every payment made in satisfaction of a judgment or pursuant to the terms of an agreed settlement of a Claim on behalf of any one person or organization.
- Employee means an individual who is hired and paid by Member to provide services or perform duties under the supervision, control and direction of Member if Member has the power or right to supervise, control and direct the individual in the material details of how the services are provided or the duties are performed. The term "Employee" shall not include Prisoners or Private Contractors.
- Indemnification Agreement means any part of any contract or agreement under which Member assumes Tort Liability of another to pay Damages because of Bodily Injury or Property Damage to a third person or organization, provided
 - a. The contract or agreement is made prior to the Bodily Injury or Property Damage;
 - b. The contract or agreement serves a governmental purpose; and
 - c. The contract or agreement does not assume liability for the wrongful or negligent conduct of the indemnified party.
- Law Enforcement Activities means all activities related to investigation of crime, apprehension and arrest of suspects, care and supervision of Prisoners, and security and related tasks performed by the Employees of any police department or unit, or corrections department or unit, of Member who were acting within the scope of their employment, but excluding any conduct of such Employees arising out of secondary employment by a person other than Member named in the Declarations of this Scope of Coverage or while off-duty. With respect to a sheriff, deputy sheriff, or member of a sheriff's office, Law Enforcement Activities means all activities related to investigation of crime, apprehension and arrest of suspects, care and supervision of Prisoners, and security and related tasks within the scope of such sheriff's or deputy's employment, but excluding all activities directly relating to: (1) courthouse security; (2) service of process; (3) the transportation of inmates to and from court proceedings; (4) personnel or other administrative activities; (5) activities relating to performing law enforcement functions arising under a multi-jurisdictional agreement under the supervision and direction of the Maryland State Police or other State agency; (6) any

other activity that Section 9-108 of the State Finance and Procurement Article of the Annotated Code of Maryland, as amended, does not require the Member named in the Declarations of this Scope of Coverage to insure and/or defend; and (7) secondary employment by a person other than the sheriff or while off-duty.

- Lawsuit means a Claim filed in a state or federal court in which it is alleged that there are Damages because of Bodily Injury or Property Damage to which this Coverage Form applies. Lawsuit does not include:
 - a. A Claim filed with an administrative agency;
 - b. An arbitration proceeding in which such Damages are claimed and to which Member must submit or does submit with the Trust's consent; or
 - c. Any other alternative dispute resolution proceeding in which such Damages are claimed and to which Member submits with the Trust's consent.
- Limit of Liability means the total sum that the Trust is obligated to pay on the behalf of Member through judgment or settlement, as Damages resulting from a Claim covered by this Scope of Coverage.
- Loss means direct and accidental loss or damage, but does not include mechanical breakdown, repair or servicing.
- Medical Director means a licensed physician responsible for providing medical direction for Member's emergency medical services (EMS) providers and EMS operational program.
- Member means:
 - a. The Trust, a Local Government that is a member of the Trust, the Maryland Association of Counties ("MACo"), or the Maryland Municipal League ("MML"), as designated in the Declarations;
 - b. Any Public Entity that is sponsored for coverage in the Primary Liability Pool pursuant to the Trust Agreement;
 - c. All lawfully elected or appointed officials of Member while acting within the scope of their authority;
 - d. All boards, councils, commissions and units and members thereof that are operated exclusively by, under the exclusive jurisdiction of and directly controlled by Member, while acting within the scope of their authority;
 - e. All Employees of Member while acting within the scope of their employment and authority;
 - f. All Volunteers while acting for and under the direction of Member;

- g. All persons serving for and on behalf of a mutual pact, joint venture or similar contractual relationship between two or more Members, but only if: (1) Member named in the Declarations is directing the performance of the service and (2) the relationship has received the written approval of Member named in the Declarations. No person or organization is a Member with respect to any current or past partnership or joint venture if it is not shown as a Member in the Declarations;
- h. With respect to coverage for Law Enforcement Activities pursuant to Part II – Law Enforcement Legal Liability of this Scope of Coverage, all Employees and/or officials of Member provided the chief law enforcement officer of Member has authorized and/or approved the performance of such activities; and
- i. Sheriffs, deputy sheriffs and other members of a Sheriff's office, but only to the extent that Member is legally and financially responsible for a Wrongful Act pursuant to Section 9-108 of the State Finance and Procurement Article of the Annotated Code of Maryland.

• Member Contract means:

- a. A lease of premises;
- b. A sidetrack agreement;
- c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
- d. Any other easement agreement;
- e. An indemnification of any other municipality as required by ordinance;
- f. An elevator maintenance agreement;
- g. A Member Contract includes that part of any contract or agreement:
 - (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - i. Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - ii. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
 - (2) Under which Member, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of Member's rendering or failing to render

professional services, including those listed in g(1)i. above and supervisory, inspection or engineering services;

However, g(1) and (2) apply only if the architect, engineer or surveyor is an Employee acting within the scope of employment.

- h. A Member Contract does not include that part of any contract or agreement that indemnifies any person or organization for Fire Legal Liability.
- i. Subject to Subparagraph h of this definition of Member Contract, an Indemnification Agreement.
- Mobile Equipment means:
 - a. Non self-propelled property of a mobile nature;
 - b. Unlicensed self-propelled vehicles
 - (1) Designed and used primarily to carry mounted equipment; or
 - (2) Not operated primarily on public roads; and
 - c. Self-propelled vehicles, whether licensed or unlicensed
 - (1) Designed for highway use; but
 - (2) Not used for over the road transportation of people or cargo.

Mobile Equipment does not include (i) Aircraft; (ii) Watercraft; (iii) Autos; or (iv) trucks, trailers and similar conveyances designed for highway use and used for over the road transportation of people or cargo.

- Occurrence means an Accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- Physical Damage means any Loss to a covered Auto or its permanently installed equipment.
- Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, dust and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- Prisoner means any individual who is convicted or accused of violating a criminal statute and who is detained, held in custody or captivity or whose freedom is restricted in any manner by a governmental agency.
- Private Contractor means a person who contracts with Member to provide services or perform duties for Member, but over whom Member has no immediate and direct control with respect to the manner in which the services are to be provided or the duties are to be performed.

- Property Damage means (i) direct physical injury to, destruction of, or contamination of real or tangible, personal property including all resulting loss of use of that property, or (ii) loss of use of real or tangible personal property that has been evacuated, withdrawn from use or rendered inaccessible during the Coverage Period. Property Damage that is loss of use of real or tangible personal property that is not physically injured will be deemed to have occurred at the time of the Occurrence that caused such loss of use.
- Stated Value means the amount shown on the Stated Value Endorsement.
- Tort Liability means a liability that is imposed by law rather than by contract or agreement.
- Trailer (includes semitrailer) means a large transport vehicle designed to be hauled by a truck or tractor.
- Trust means the Local Government Insurance Trust.
- Trust Agreement means the Trust Agreement dated July 1, 1987, as amended or restated from time to time.
- Volunteer means an individual who, at the request of Member, and under Member's control and direction, provides services or performs duties without compensation, except for reasonable reimbursement for out-of-pocket expenses. The term "Volunteer" shall not include an individual who is providing services or performing duties pursuant to an order of court or consent or settlement agreement, including but not limited to Court Ordered Community Service Worker.
- Watercraft means any ship, boat, barge, raft, canoe, or any other craft, whether self-propelled or non self-propelled, designed for use in, on or under the water.
- Work means:
 - a. Labor or operations performed by Member or on behalf of Member; and
 - b. Materials, parts or equipment furnished in connection with such labor or operations.

Work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in a. or b. above.

SECTION VI - GARAGEKEEPERS' COVERAGE

A. THE TRUST WILL PAY.

1. The Trust will pay all sums Member legally must pay as Damages for Loss to a covered Auto left in Member's care while Member is attending, servicing, repairing, parking or storing it in Member's garage operations, under:
 - a. Comprehensive Coverage. From any cause except the covered Auto's collision with another object or its overturn;
 - b. Collision Coverage. Caused by the covered Auto's collision with another object or its overturn.
2. The Trust has the right and duty to defend any Lawsuit asking for these Damages. However, the Trust has no duty to defend Lawsuits for Loss not covered by this Scope of Coverage. The Trust may investigate and settle any Claim or Lawsuit as the Trust considers appropriate. The Trust's payment of the Trust's limit for any coverage ends the Trust's duty to defend or settle for that coverage.

B. SUPPLEMENTARY PAYMENTS. The Trust will pay, with respect to any Claim or Lawsuit the Trust defends:

1. All expenses the Trust incurs (excluding salaries of Employees of Member) in investigating and defending any Claim or Lawsuit under this Scope of Coverage;
2. Up to \$250 for cost of bail bonds required because of traffic Accidents or traffic law violations arising out of the use of any vehicle to which the General Liability Scope of Coverage applies. The Trust is not required to furnish these bonds;
3. The cost of appeal bonds and bonds to release attachments, but only for bond amounts within the applicable Limit of Liability. The Trust is not required to furnish these bonds;
4. Subject to prior approval of the Trust, all reasonable expenses incurred by Member who, at the Trust's request, assists the Trust in the investigation or defense of the Claim or Lawsuit, including actual loss of earnings up to \$250 per day per person because of time off from Work and reasonable expenses;
5. All costs and disbursements, not to exceed \$50,000, taxed by a court against Member in the Lawsuit and included in a judgment [excluding any sanction imposed by a court pursuant to Federal Rule of Civil Procedure 11 (2004) or Maryland Rule 2-341 (2004)];

6. Pre-judgment interest awarded against Member on that part of the judgment the Trust pays. If the Trust makes an offer to pay the applicable Limit of Liability, the Trust will not pay any pre-judgment interest based on that period of time after the offer; and
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before the Trust has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Liability.

These payments will not reduce the Limit of Liability.

C. EXCLUSIONS.

This coverage does not apply to:

1. Liability resulting from any agreement by which Member accepts responsibility for Loss;
2. Loss due to theft or conversion caused in any way by Member or Member's Employees;
3. Defective parts or materials;
4. Faulty Work Member performed;
5. Loss to tape decks or other sound reproducing equipment not permanently installed in a covered Auto;
6. Loss to tapes, records or other devices designed for use with sound reproducing equipment;
7. Loss to any sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the Auto manufacturer for the installation of a radio; and
8. Impounded Autos.

D. THE TRUST'S LIMIT OF LIABILITY.

Regardless of the number of covered Autos, Members, Claims Made or Lawsuits brought, the most the Trust will pay for Loss is the GARAGEKEEPERS' COVERAGE limit shown in the Declarations minus the applicable deductibles for Loss caused by collision, theft or malicious mischief or vandalism. Unless a higher Limit is selected, the Limit of the Trust's Liability for Comprehensive Liability (ACV) is \$1,000,000 for each Accident.

SCHEDULE A

| MAKE OF VEHICLE | YEAR | MODEL/ DESCRIPTION | VEHICLE ID NUMBER | DEPT | VEH* CODE | MEMBER CODE | ADD or DELETE | EFF DATE |
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*VEHICLE CODES

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|------|---|--------------------|------|---|-------------------------|
| PP | - | Passenger Police | HTT | - | Tractor/Trailer |
| PF | - | Passenger Fire | HTTR | - | Trailer |
| PO | - | Passenger/Other | HTR | - | Heavy Refuse |
| LTPU | - | Light Pickup | HTD | - | Heavy Dump |
| LTV | - | Vans | HTF | - | Fire Truck |
| LTA | - | Ambulance | HTO | - | Heavy/Other |
| LTF | - | Fire/Rescue Truck | BU | - | Bus under 15 Passengers |
| LTO | - | Light Truck/Other | BO | - | Bus over 15 Passengers |
| ME | - | Mobile Equipment | TU | - | Trailer under 2,000 |
| MS | - | Motorcycle/Scooter | T2 | - | Trailer over 2,000 |

SCHEDULE B

| MAKE OF VEHICLE | YEAR | MODEL/ DESCRIPTION | VEHICLE ID NUMBER | DEPT | VEH* CODE | MEMBER CODE | ADD or DELETE | EFF DATE |
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***VEHICLE CODES**

LTA - Ambulance
 LTF - Fire/Rescue Truck
 HTT - Tractor/Trailer
 HTTR - Trailer
 HTR - Heavy Refuse

HTD - Heavy Dump
 HTF - Fire Truck
 HTO - Heavy/Other
 BO - Bus over 15 Passengers

LOCAL GOVERNMENT INSURANCE TRUST

SCOPE OF COVERAGE

PRIMARY LIABILITY PROGRAM

APPENDIX A

ENDORSEMENTS

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

COURT ORDERED COMMUNITY SERVICE WORKERS ENDORSEMENT

Subject to the Limit of Liability set forth below, the Trust will pay those sums (in excess of the Deductible Amount, if any, set forth in the Declarations) that Member becomes legally obligated to pay as Damages because of Bodily Injury, Property Damage, Personal Injury or Advertising Injury caused by or attributable to a Court Ordered Community Service Worker, if, at the time of the Occurrence, the Court Ordered Community Service Worker is performing an activity for, and under the supervision, control and direction of, Member, provided the activity contains no element of private interest, results in no profit to Member and is performed exclusively for the health, benefit and welfare of the general public.

Limit of Liability: With respect to a Claim under Maryland law, the liability of the Trust under this endorsement shall not exceed \$200,000 per an individual Claim and \$500,000 per total Claims that arise from the same Occurrence. This Limit of Liability shall be part of and not in addition to the Limit of Liability set forth in Scope of Coverage.

The limitation on liability set forth in the Local Government Tort Claims Act may not apply to damages resulting from tortious acts or omissions committed by a Court Ordered Community Service Worker. Under certain circumstances the coverage provided by this endorsement may not be sufficient to cover in full those sums that Member becomes legally obligated to pay as Damages because of Bodily Injury, Property Damage, Personal Injury or Advertising Injury caused by or attributable to a Court Ordered Community Service Worker.

For purposes of this endorsement only, Member includes a Court Ordered Community Service Worker.

This endorsement is subject to the Trust's Risk Management Guidelines for Court Ordered Community Service Workers which are included as part of this endorsement. Failure to comply with these Risk Management Guidelines may result in the Trust's denying coverage under this endorsement.

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all the provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Member: _____

Scope of Coverage Document No.: _____

Endorsement No.: _____

Effective Date: _____

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

Local Government Insurance Trust

Risk Management Guidelines for
Court Ordered Community Service WorkersAdministration

1. A statement of policy (formal, written) outlining the procedures governing the establishment of the Court Ordered Community Service Workers program and the use of Court Ordered Community Service Workers. This document shall be widely distributed throughout the organization, requiring a signed acknowledgment by existing Court Ordered Community Service Workers and new Court Ordered Community Service Workers upon assignment.
2. Description of the procedure by which a person becomes a Court Ordered Community Service Worker, and how that status is maintained or, alternatively, how that status is terminated, i.e., application form, job description, contract agreement concerning services.
3. Formal written policies in the recruitment, supervision, placement and training of Court Ordered Community Service Workers.
4. Each Court Ordered Community Service Worker working in the organization shall be supervised on a daily basis.
5. Prior to placement, all Court Ordered Community Service Workers shall be screened by the program staff to determine their suitability for placement at a particular job or location.
6. Specific written job description for each "position" to be filled by a Court Ordered Community Service Worker, including confidentiality requirements, evaluations, and other similar requirements.

Notification

1. Participants shall provide the Trust with written notification of any major program changes, newly planned activities or additions to the Court Ordered Community Service Workers program.
2. The foregoing information is reviewed by the Trust to determine:
 - Loss Potential
 - Insurability
 - Service Needs
 - Premium Adjustments
 - Reinsurance Implications

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

PRISONERS ENDORSEMENT

Subject to the Limit of Liability set forth below, the Trust will pay those sums (in excess of the Deductible Amount, if any, set forth in the Declarations) that Member becomes legally obligated to pay as Damages because of Bodily Injury, Property Damage, Personal Injury or Advertising Injury caused by or attributable to a Prisoner, if, at the time of the Occurrence, the Prisoner is performing an activity for, and under the supervision, control and direction of, Member, provided the activity contains no element of private interest, results in no profit to Member and is performed exclusively for the health, benefit and welfare of the general public.

This endorsement applies only to the following activities for Member

Limit of Liability: With respect to a Claim under Maryland law, the liability of the Trust under this endorsement shall not exceed \$200,000 per an individual Claim and \$500,000 per total Claims that arise from the same Occurrence. This Limit of Liability shall be part of and not in addition to the Limit of Liability set forth in the Scope of Coverage.

The limitation on liability set forth in the Local Government Tort Claims Act may not apply to damages resulting from tortious acts or omissions committed by a Prisoner. Under certain circumstances the coverage provided by this endorsement may not be sufficient to cover in full those sums that Member becomes legally obligated to pay as Damages because of Bodily Injury, Property Damage, Personal Injury or Advertising Injury caused by or attributable to a Prisoner.

For purposes of this endorsement only, Member includes a Prisoner.

This endorsement is subject to the Trust's Risk Management Guidelines for Prisoners which are included as part of this endorsement. Failure to comply with these Risk Management Guidelines may result in the Trust's denying coverage under this endorsement.

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all the provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Member: _____

Scope of Coverage Document No.: _____

Endorsement No.: _____

Effective Date: _____

Annual Premium: _____

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

Local Government Insurance Trust
Risk Management Guidelines for Prisoners

Administration

1. A statement of policy (formal, written) outlining the procedures governing the establishment of the Prisoner program and the use of Prisoners. This document shall be widely distributed throughout the organization, requiring a signed acknowledgment by existing Prisoners and new Prisoners upon assignment.
2. Description of the procedure by which a person becomes a Prisoner, and how that status is maintained or, alternatively, how that status is terminated, i.e., application form, job description, contract agreement concerning services.
3. Formal written policies in the recruitment, supervision, placement and training of Prisoners.
4. Each Prisoner working in the organization shall be supervised on a daily basis.
5. Prior to placement, all Prisoners shall be screened by the program staff to determine their suitability for placement at a particular job or location.
6. Specific written job description for each "position" to be filled by a Prisoner, including confidentiality requirements, evaluations, and other similar requirements.

Notification

1. Participants shall provide the Trust with written notification of any major program changes, newly planned activities or additions to the Prisoner program.
2. The foregoing information is reviewed by the Trust to determine:
 - Loss Potential
 - Insurability
 - Service Needs
 - Premium Adjustments
 - Reinsurance Implications

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached, as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

SEWER-RELATED DISCHARGE EXCLUSION EXEMPTION ENDORSEMENT

Subject to a deductible of the greater of \$2,500 per Occurrence or the Deductible Amount set forth in the Declarations, the Trust will pay (i) those sums that the Member becomes legally obligated to pay as Damages because of Bodily Injury caused by or attributable to a Discharge; and (ii) all Property Damage caused by or attributable to a Discharge, regardless of fault.

Each of the following conditions must be met as a prerequisite to coverage under this endorsement:

1. The Discharge commenced during the Coverage Period.
2. The Discharge was sudden and accidental and was neither expected nor intended by the Member.
3. The Discharge commenced at a specific time and became known to the Member within 48 hours thereafter.
4. The Discharge did not result from the Member's willful and intentional violation of any governmental statute, rule or regulation.

This endorsement is subject to the following risk management guidelines. Failure to comply with these risk management guidelines may result in the Trust denying coverage under this endorsement and/or rescinding this endorsement.

- A. Member will have a Sewer Backup/Discharge Policy (formal, written).
- B. Member will schedule and conduct timely and reasonable inspections (e.g., jetting the lines, scoping the lines, etc.) and, as a result of such inspections, make necessary repairs. Detailed inspections will be in writing, based on sound engineering principles, and will be carried out promptly.
- C. Member will document all sewer backup complaints, indicating the time and date of the complaint, the name of complainant, the nature of the complaint, the action taken and time of such action, and the name of the complaint recipient.
- D. Member will install check valves and backflow prevention devices where needed, including locations where storm drains empty into sewers and other recognized "hot spots".

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all the provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Member: _____

Scope of Coverage Document No.: _____

Endorsement No.: _____

Effective Date: _____

Annual Fee: _____

Deductible per Occurrence: \$ _____ each Occurrence.

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

PUNITIVE DAMAGES EXCLUSION EXEMPTION ENDORSEMENT

Subject to the Limit of Liability and the Exclusion set forth below, the Trust will indemnify Member for any amounts lawfully paid by Member pursuant to and in accordance with §5-303(c) of the Local Government Tort Claims Act for a judgment for punitive damages entered against (i) an Employee of Member while acting within the scope of employment, (ii) a lawfully elected or appointed official of Member while acting within the scope of authority, or (iii) a Volunteer while acting for and under the direction of Member, provided the judgment for punitive damages arises out of or results from a Claim for which coverage is afforded by the Scope of Coverage to which this endorsement is attached, and provided further the Claim arises out of or is caused by an Occurrence or Wrongful Act after the Effective Date of this endorsement.

Limit of Liability: The liability of the Trust under this endorsement shall not exceed \$200,000 per an individual Claim and \$500,000 per total Claims that arise from the same Occurrence or Wrongful Act. This Limit of Liability shall be part of and not in addition to the Limit of Liability set forth in the Scope of Coverage to which this endorsement is attached.

Exclusion: This endorsement shall not provide coverage for a judgment for punitive damages entered against a law enforcement officer who has been found guilty by a hearing board in a disciplinary action as a result of the Occurrence or Wrongful Act giving rise to the judgment for punitive damages.

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all the provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Member: _____

Scope of Coverage Document No.: _____

Endorsement No.: _____

Effective Date: _____

Annual Premium: _____

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached, as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

VOLUNTEER FIRE COMPANIES ENDORSEMENT

Subject to the Limit of Liability set forth below, the Trust will pay those sums (in excess of the Deductible Amount, if any, set forth in the Declarations) that a Volunteer Fire Company, and its Employees and Volunteers become legally obligated to pay as Damages because of Bodily Injury, Property Damage, Personal Injury, Advertising Injury or a Wrongful Act provided that the Volunteer Fire Company meets the following criteria:

1. The Volunteer Fire Company is Member's official and only fire department;
2. Member owns the fire house and fire equipment;
3. The fire chief and assistant fire chiefs are approved by, and serve under the direction of, Member's governing board; and
4. Fire operations are governed by an ordinance of Member.

Limit of Liability: With respect to a Claim under Maryland law, the liability of the Trust under this endorsement shall not exceed \$200,000 per an individual Claim and \$500,000 per total Claims that arise from the same Occurrence. This Limit of Liability shall be part of and not in addition to the Limit of Liability set forth in the Scope of Coverage.

The limitation on liability set forth in the Local Government Tort Claims Act may not apply to damages resulting from tortious acts or omissions committed by a Volunteer Fire Company, and its Employees and Volunteers. Under certain circumstances the coverage provided by this endorsement may not be sufficient to cover in full those sums that a Volunteer Fire Company, and its Employees and Volunteers become legally obligated to pay as Damages because of Bodily Injury, Property Damage, Personal Injury or Advertising Injury.

For purposes of this endorsement only, Volunteer Fire Company means a private non-profit corporation that (i) is exempt from taxation under Section 501(c)(3) or (4) of the Internal Revenue Code, (ii) receives 50% or more of its annual operating budget from the State, a municipal corporation or a County and (iii) engages in firefighting services.

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Member: _____

Scope of Coverage Document No.: _____

Endorsement No.: _____

Effective Date: _____

Annual Premium: _____

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached, as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

SKATEBOARD and BMX BIKING FACILITY EXCLUSION EXEMPTION ENDORSEMENT

The Trust will pay those sums **(in excess of the greater of (i) a deductible of \$1,000 or (ii) the Deductible Amount set forth in the Declarations)** that Member becomes legally obligated to pay as Damages because of Bodily Injury or Property Damage caused by or attributable to the use of a skateboard or a bicycle at a public skateboard and/or BMX biking facility.

This endorsement is subject to (i) the Trust's Risk Management Guidelines for public skateboard facilities, and (ii) the Trust's Risk Management Guidelines for public BMX biking facilities. Failure to comply with these Risk Management Guidelines may result in the Trust's denying coverage under this endorsement.

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all the provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Member: _____

Scope of Coverage Document No.: _____

Endorsement No.: _____

Effective Date: _____

Annual Premium: _____

Deductible per Occurrence: \$ _____ each Occurrence.

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached, as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

OCCURRENCE ENDORSEMENT

A. Law Enforcement Legal Liability (Wrongful Acts)

The Trust will pay on behalf of Member all sums (in excess of the Deductible Amount, if any, set forth in the Declarations) which Member becomes legally obligated to pay as Damages and Attorneys' Fee Award as a result of Claims against Member by reason of any Wrongful Act rendered during the Coverage Period in the discharge of duties on behalf of Member to provide Law Enforcement and/or other Departmentally Approved Activities (including Law Enforcement Activities for others).

This shall cover losses arising from any Claim against the estates, heirs, legal representatives or assigns of deceased persons who were Members at the time of the Wrongful Act upon which such Claims are based.

B. Public Officials Legal Liability (Errors and Omissions)

The Trust will pay on behalf of Member all sums (in excess of the Deductible Amount, if any, set forth in the Declarations) which Member becomes legally obligated to pay as Damages and Attorneys' Fee Award as a result of Claims against Member by reason of any Wrongful Act rendered during the Coverage Period in the discharge of duties on behalf of Member.

This shall cover losses arising from any Claim against the estates, heirs, legal representatives or assigns of deceased persons who were Members at the time of the Wrongful Act upon which such Claims are based.

Employee Benefits Liability: The Trust will pay on behalf of Member all sums that Member becomes legally obligated to pay as Damages because of Claims against Member by an Employee or former Employee (or the beneficiaries or legal representatives thereof), caused by a Wrongful Act, occurring during the Coverage Period, of Member or any other person for whose Wrongful Act Member is legally liable in the Administration of its Employee Benefits Programs.

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all the provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Member: _____

Scope of Coverage Document No.: _____

Endorsement No.: _____

Effective Date: _____

Annual Premium: _____

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached, as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

DEFENSE COSTS IN CIVIL CASES SEEKING EQUITABLE RELIEF ENDORSEMENT

Subject to a maximum reimbursement of \$10,000 per case, the Trust will reimburse Member for fifty (50%) percent of reasonable defense costs, including attorney fees that exceed \$5,000, which are incurred by Member in civil cases involving Claims, demands or actions seeking relief or redress in any form other than money Damages.

A request for reimbursement under this endorsement shall be made within thirty (30) days from the conclusion of the civil case, including termination of all appeals, or when Member has incurred \$25,000 in defense costs, whichever occurs earlier.

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all the provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Member: _____

Scope of Coverage Document No.: _____

Endorsement No.: _____

Effective Date: _____

Annual Premium: _____

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached, as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

PHYSICAL DAMAGE FOR BORROWED AUTOS UTILIZED
IN POLICE SURVEILLANCE ENDORSEMENT

The Trust agrees to extend, subject to the Special Deductible specified in the Coverage Declaration Form for Automobile or specified below, Comprehensive and Collision Auto Physical Damage to include Autos borrowed by Member and utilized by Member in police surveillance on the same basis as if the borrowed Autos were owned.

Special Deductible of _____ applies to each Accident for the above coverage.

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all the provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Member: _____

Scope of Coverage Document No.: _____

Endorsement No.: _____

Effective Date: _____

Annual Premium: _____

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached, as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

PERSONAL INJURY PROTECTION FOR PASSENGERS AND
GUESTS AND FOR PEDESTRIANS, OTHER THAN EMPLOYEES OR PRISONERS
ENDORSEMENT

The Trust will provide injury protection coverage that an insurer is required to provide under the provisions of the Insurance Article §§ 19-505 and 19-507 of the Annotated Code of Maryland. The Trust will pay up to \$2,500 for all reasonable expenses incurred by a passenger or guest, other than an Employee or Prisoner in, and for a pedestrian other than an Employee or Prisoner struck by, an Auto for which the Trust provides Business Automobile Coverage arising from an Accident and incurred within three (3) years from the date of the Accident for:

1. Necessary medical, surgical, x-ray and dental services, including prosthetic devices;
2. Necessary ambulance, hospital, professional nursing and funeral services; and
3. (i) In the case of an income producer, payment of benefits for 85% of income lost as the result of the accident: and
 - (ii) In the case where the person injured in the Accident was not an income or wage producer at the time of the accident, payments made in reimbursement of necessary and reasonable expenses incurred for essential services ordinarily performed by the injured person for the care and maintenance of the family or family household.

Exclusions: The foregoing coverage will not be provided;

1. To an individual who:
 - a. Intentionally causes the motor vehicle accident resulting in the injury for which benefits are claimed;
 - b. Is a non-resident of Maryland and is injured as a pedestrian in a motor vehicle accident that occurs outside of Maryland; or
 - c. Is injured in an Auto for which the Trust provides Automobile Coverage arising from a motor vehicle accident while the Auto operator was committing a felony or violating Section 21-904 of the Transportation Article of the Maryland Annotated Code.

2. For Bodily Injury sustained by any individual of Member who is entitled to workers' compensation benefits pursuant to the laws of Maryland (*see* Md. Code Ann., Lab. & Empl. §§ 9-101 *et seq.*)

As soon as possible and within no more than twelve (12) months after the accident date, the injured person or his representative shall provide to the Trust a written claim for benefits including all information required to ~~determine the amount payable~~ verify the injury.

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all the provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Named Insured: _____

Scope of Coverage Document No.: _____

Effective Date: _____

Annual Premium: _____

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached, as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

UNINSURED MOTORIST ENDORSEMENT

The Trust will provide uninsured motorist coverage that an insurer is required to provide under Sections 19-509 through 19-511 of the Insurance Article of the Annotated Code of Maryland, and subject to the Limits of Liability set forth below the Trust will pay those sums that Member is entitled to recover from the owner or operator of an uninsured motor vehicle because of Bodily Injury and Property Damage sustained in an Accident arising out of the ownership, maintenance, or use of an uninsured motor vehicle.

Limits of Liability: The liability of the Trust under this endorsement shall not exceed \$20,000 for Bodily Injury for any one person, \$40,000 for Bodily Injury for any two or more persons, and \$15,000 for Property Damage resulting from any one Accident, in addition to interest and costs. These Limits of Liability shall be part of and not in addition to the Limits of Liability set forth in the Scope of Coverage.

Property Damage Deductible (A Special Deductible): A deductible of \$250 per Auto (as that term is defined in Part IV Automobile Liability and Physical Damage) applies to a Claim for Physical Damage (as those terms are defined in Part IV Automobile Liability and Physical Damage) covered pursuant to this endorsement.

Exclusions: This endorsement shall not provide coverage for:

1. Bodily Injury sustained by any individual of Member who is entitled to workers' compensation benefits pursuant to the Laws of Maryland (*see* Md. Code Ann., Lab. & Empl. §§ 9-101 *et seq.*);
2. An Accident in a vehicle that is not subject to registration under Section 13-402 of the Transportation Article of the Annotated Code of Maryland because it is not driven on a highway; and
3. An Accident in a vehicle that is exempt from registration under Section 13-402(c)(10) of the Transportation Article of the Annotated Code of Maryland.

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Member: _____

Scope of Coverage Document No.: _____

Endorsement No.: _____

Effective Date: _____

Annual Premium: _____

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached, as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

UNINSURED MOTORIST ENDORSEMENT – ADDITIONAL LIMIT OPTION

The Trust will provide uninsured motorist coverage that an insurer is required to provide under Sections 19-509 through 19-511 of the Insurance Article of the Annotated Code of Maryland, and subject to the Limit of Liability set forth below the Trust will pay those sums that Member is entitled to recover from the owner or operator of an uninsured motor vehicle because of Bodily Injury and Property Damage sustained in an Accident arising out of the ownership, maintenance, or use of an uninsured motor vehicle.

Limit of Liability: The liability of the Trust under this endorsement shall not exceed \$1,000,000 for Bodily Injury and Property Damage resulting from any one Accident. This Limit of Liability shall be part of and not in addition to the Limit of Liability set forth in the Scope of Coverage.

Property Damage Deductible (A Special Deductible): A deductible of \$250 per Auto (as that term is defined in Part IV Automobile Liability and Physical Damage) applies to a Claim for Physical Damage (as those terms are defined in Part IV Automobile Liability and Physical Damage) covered pursuant to this endorsement.

Exclusions: This endorsement shall not provide coverage for:

1. Bodily Injury sustained by any individual of Member who is entitled to workers' compensation benefits pursuant to the Laws of Maryland (*see* Md. Code Ann., Lab. & Empl. §§ 9-101 *et seq.*);
2. An Accident in a vehicle that is not subject to registration under Section 13-402 of the Transportation Article of the Annotated Code of Maryland because it is not driven on a highway; and
3. An Accident in a vehicle that is exempt from registration under Section 13-402(c)(10) of the Transportation Article of the Annotated Code of Maryland.

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Member: _____

Scope of Coverage Document No.: _____

Endorsement No.: _____

Effective Date: _____

Annual Premium: _____

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached, as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

EMERGENCY VEHICLE OPERATIONS TRAINING ENDORSEMENT

The Trust agrees to extend, subject to the Special Deductibles specified in the Coverage Declaration Form for Automobile or specified below, Comprehensive and Collision Auto Physical Damage to include Autos borrowed by Member from the Maryland Police and Corrections Training Commission, or other accredited agency, and utilized by Member in an emergency vehicle operations training course sponsored by the Maryland Police and Corrections Training Commission, or other accredited agency, on the same basis as if the borrowed Autos were owned.

The following Special Deductibles apply for the above coverage:

| | |
|---------------------------------|---|
| Police Passenger (PP) Vehicle - | \$1000 per Accident, or the Deductible Amount set forth in the Declarations, whichever is higher. |
| Fire (LTF and HTF) Vehicle - | \$5000 per Accident, or the Deductible Amount set forth in the Declarations, whichever is higher. |
| Ambulance (LTA) - | \$5000 per Accident, or the Deductible Amount set forth in the Declarations, whichever is higher. |

This endorsement is subject to the Trust receiving notice from Member at least three (3) business days prior to Member's participation in an emergency vehicle operations training course.

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all the provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Member: _____

Scope of Coverage Document No.: _____

Endorsement No.: _____

Effective Date: _____

Premium Per Participant: _____

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached, as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

STATED VALUE ENDORSEMENT

In the event of a total Loss, the Trust agrees to pay as the Trust's Limit of Liability for Loss in any one Accident the Stated Value, as shown within this Endorsement, subject to the deductibles specified in the Coverage Declaration Form under Auto Physical Damage.

| <u>Make Of Vehicle</u> | <u>Year</u> | <u>Model/ Description</u> | <u>Vehicle ID Number</u> | <u>Eff. Date</u> | <u>Stated Value</u> |
|------------------------|-------------|-------------------------------|------------------------------|------------------|-------------------------|
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ELIGIBLE VEHICLE CODES UNDER THIS ENDORSEMENT:

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|------|---|-------------------|-----|---|------------------------|
| LTA | - | Ambulance | HTD | - | Heavy Dump |
| LTF | - | Fire/Rescue Truck | HTF | - | Fire Truck |
| HTT | - | Tractor/Trailer | HTO | - | Heavy/Other |
| HTTR | - | Trailer | BO | - | Bus over 15 Passengers |
| HTR | - | Heavy Refuse | | | |

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all the provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Member: _____

Scope of Coverage Document No.: _____

Endorsement No.: _____

Effective Date: _____

Annual Premium: _____

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

SECONDARY EMPLOYMENT and OFF-DUTY LAW ENFORCEMENT ACTIVITIES
ENDORSEMENT

Subject to the Limit of Liability set forth below, the Trust will pay those sums (in excess of the Deductible Amount, if any, set forth in the Declarations) that Member becomes legally obligated to pay as Damages because of Bodily Injury, Property Damage, Advertising Injury or a Wrongful Act caused by or attributable to a law enforcement Employee performing Law Enforcement Activities while off-duty or Law Enforcement Activities as the result of secondary employment provided: (1) such activities have been approved by the chief law enforcement Employee of Member (or his/her designee) in accordance with the Trust's Risk Management Guidelines for Secondary Employment and Off-Duty Law Enforcement Activities; and (2) such law enforcement Employee is acting, or can be recognized as acting, in the capacity as a law enforcement Employee of the Member named in the Declarations.

Limit of Liability: With respect to a Claim under Maryland law, the liability of the Trust under this endorsement shall not exceed \$200,000 per an individual Claim and \$500,000 per total Claims that arise from the same Occurrence or Wrongful Act. This Limit of Liability shall be part of and not in addition to the Limit of Liability set forth in the Scope of Coverage.

This endorsement is subject to the Trust's Risk Management Guidelines for Secondary Employment and Off-Duty Law Enforcement Activities, which are included as part of this endorsement. Failure to comply with these Risk Management Guidelines may result in the Trust denying coverage under this endorsement.

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all the provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Member: _____

Scope of Coverage Document No.: _____

Endorsement No.: _____

Effective Date: _____

Premium: _____

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

Local Government Insurance Trust
Risk Management Guidelines
for
Secondary Employment and Off-Duty Law Enforcement Activities

Administration

1. A statement of policy (formal or written) outlining the procedures governing the establishment of the secondary employment ("moonlighting") and off-duty Law Enforcement Activities program. This document shall be widely distributed throughout the organization, requiring a signed acknowledgement by all Employees engaged in secondary employment and off-duty Law Enforcement Activities.
2. Description of the procedure by which an Employee engages in secondary employment and/or off-duty Law Enforcement Activities and how that status is maintained or, alternatively, how that status is terminated, i.e., application form, job description, contract agreement concerning such activities.
3. Formal written procedures in the approval, supervision, reporting and so on of secondary employment and off-duty law enforcement Employees.
4. Prior to approval or placement, all Employees engaged in secondary employment and/or off-duty Law Enforcement Activities shall be screened by the chief law enforcement officer or Sheriff to determine their suitability for secondary employment and/or off-duty Law Enforcement Activities at a particular job or location.
5. Specific written job descriptions for each Employee engaged in secondary employment and/or off-duty Law Enforcement Activities, including confidentiality agreements, evaluations, and other similar requirements.

Notification

1. Participants shall provide the Trust with written notification of any major program changes, newly planned activities or additions to their secondary employment and off-duty Law Enforcement Activities program.
2. The foregoing information is reviewed by the Trust to determine:
 - Loss Potential
 - Insurability
 - Service Needs
 - Premium Adjustments
 - Reinsurance Implications

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

PUBLIC ENTITY ENDORSEMENT

_____ (the "Public Entity") is a Public Entity (as that term is defined in the Eighth Amended and Restated Local Government Insurance Trust Agreement (dated as of July 1, 2004) (the "Trust Agreement") that has been sponsored for coverage by _____, a Member of Local Government Insurance Trust, pursuant to Section 9.06(a)(2) of the Trust Agreement. Pursuant to Section 9.06(a)(2) of the Trust Agreement, in order for Public Entity to be eligible for participation in the Primary Liability Program of the Trust, Public Entity must be subject to:

- (1) The Local Government Tort Claims Act limitations on liability as set forth in Md. Cts. & Jud. Proc. Code Ann. Section 5-301 *et seq.* (2006 Replacement Volume, as replaced, supplemented and amended) ("LGTC"); or
- (2) The Maryland Tort Claims Act limitations on liability as set forth in Md. State Gov't. Code Ann. Section 12-101 *et seq.* (2004 Replacement Volume, as replaced, supplemented and amended) ("MTCA"); or
- (3) The County Boards of Education limitations on liability as set forth in Md. Educ. Code Ann. Section 4-101 *et seq.* (2004 Replacement Volume, as replaced, supplemented and amended) (the "BOE Limits of Liability").

Public Entity warrants and represents, that to the best of its knowledge, information, and belief, it is subject to, within the auspices of, and covered by the LGTCA, the MTCA, or the BOE Limits of Liability. This warranty and representation is a condition precedent to Public Entity being allowed to participate in the Primary Liability Program pursuant to, and subject to, the Primary Liability Scope of Coverage.

If a court of competent jurisdiction rules that that Public Entity is not subject to the LGTCA, the MTCA, or the BOE Limits of Liability, the Trust shall provide Public Entity with coverage pursuant to the Primary Liability Scope of Coverage as if Public Entity was subject to the LGTCA and only to the extent that the Trust provides coverage to a Member who is subject to the LGTCA and a participant in the Primary Liability Program.

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all the provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Public Entity: _____

Scope of Coverage Document No.: _____

Endorsement No.: _____

Effective Date: _____

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

LIMITS OF LIABILITY ACKNOWLEDGEMENT
BY INSURED PUBLIC ENTITY

By: _____
Name:
Title:
Authorized Representative

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached as follows:

SCOPE OF COVERAGE PRIMARY LIABILITY PROGRAM

SPECIFIC LOCATION(S) EXCLUSION ENDORSEMENT

The Trust will not pay for Loss or Damage at the following locations:

- (1)
- (2)
- (3)

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

(The following information is required only when
this endorsement is issued subsequent to
preparation of the Scope of Coverage)

Member: _____

Scope of Coverage Document No.: _____

Endorsement No.: _____

Effective Date: _____

LOCAL GOVERNMENT INSURANCE TRUST

By: _____
Authorized Representative

LOCAL GOVERNMENT INSURANCE TRUST

SCOPE OF COVERAGE

PRIMARY LIABILITY PROGRAM

APPENDIX B

TOPICAL INDEX

**THIS TOPICAL INDEX DOES NOT CHANGE, ALTER, AFFECT OR MODIFY
COVERAGE AND IS PRESENTED ONLY FOR REFERENCE PURPOSES.
PLEASE REFER TO THE TEXT OF EACH SCOPE OF COVERAGE PART
FOR SPECIFICS OF COVERAGE.**

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| 3. <u>Cancellation</u> procedures | 1-31 |
| 4. Coverage <u>Declaration</u> form pages are found at the beginning of this Scope of Coverage. These pages describes all those Coverage Parts provided to Member under the Primary Liability Program | v, vi, vii |
| 5. The Trust will not pay <u>punitive damages</u> | 1-13 |
| 6. The definition of Member does not extend to <u>Private Contractors</u> | 1-19 |
| 7. Coverage Parts of this Scope of Coverage may have different conditions or terms from those contained in the General Liability Coverage Part. When this happens the specific Coverage Part prevails. | |
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